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Administrative Problems in Naval Procurement and Logistics

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IN THIS NUMBER

JAMES FORRESTAL, Secretary of the Navy, came to Washington, D.C., in June, 1940, to serve as one of the administrative assistants to President Roosevelt. Two months later he became the first under secretary of the Navy. In this capacity he was charged with the direction of the Navy's rapidly expanding material procurement program. A naval reserve aviator in World War I, Mr. Forrestal had been president of the investment banking house of Dillon Read and Company before coming to Washington in 1940. Following the death of Secretary Knox, he became Secretary of the Navy on May 19, 1944.

ADMIRAL E. C. KALBFUS is the director of naval history. A member of the Class of 1899, U. S. Naval Academy, he saw active duty as a cadet in the Spanish-American War. In World War I he commanded his own ship and thereafter rose through the fleet to become Commander of the Battle Force. He has twice been president of the Naval War College, and since his retirement he has been on active duty as a member of the General Board of the Navy. He has now completed more than fifty years of continuous and distinguished service.

ROBERT G. ALBION, assistant director of naval history, received his A.B. degree at Bowdoin and his Ph.D. at Harvard. He has taught history at Princeton since 1922, where he is now professor of history. He has also been director of the summer session and assistant dean of the faculty at Princeton and president of the American Military Institute. Dr. Albion's books include *Forests and Sea Power*, *Sea Lanes in Wartime*, and the *Rise of New York Port*. He has also written numerous articles on naval history.

ROBERT H. CONNERY, lieutenant commander, U.S.N.R., is a graduate of the University of Minnesota and of Columbia University in New York City, where he received his Ph.D. in public administration and government. He was later instructor in government at Columbia from 1933-39; a fellow of the Brookings Institution; director, Commission on American Citizenship; and staff member of various administrative survey bodies, including the President's Committee on Administrative Management. He was commissioned in the Naval Reserve in May, 1942, for duty in the officer training division of the Bureau of Naval Personnel. Later he was transferred to the office of naval history.

ADMIRAL F. J. HORNE is the vice chief of naval operations, responsible under Fleet Admiral King for the logistics administration of the Navy. He has recently completed fifty years of service on the active list of the Navy, during which time he has served with distinction in many positions of responsibility. He has completed courses at both the Naval War College and the Army War College. Among his many assignments of duty have been the command of the U.S.S. *Saratoga*, the command of the Aircraft Battle Force, and membership on the General Board of the Navy.

ADMIRAL S. M. ROBINSON was made chief of the Office of Procurement and Material, Navy Department, in January, 1942, being transferred to that position directly from duty as chief of the Bureau of Ships and coordinator of shipbuilding. After graduating from Annapolis in 1903 and extensive engineering duty at sea, he was one of the first naval officers to aid in the development of electrical engines for naval vessels. Following duty as Pacific Fleet engineering officer, he was head of the design division of the Bureau of Engineering, and then engineer-in-chief and chief of that bureau.

DONALD R. BELCHER is treasurer of the American Telephone and Telegraph Company. He joined the company in 1919 as assistant chief statistician, after serving as instructor in mathematics at Columbia University. From January, 1942, to October, 1943, he was assistant chief of the Office of Procurement and Material in the Navy Department in charge of the planning and statistics branch.

VICE ADMIRAL E. L. COCHRANE has been chief of the Bureau of Ships of the Navy Department since November, 1942. A graduate of Annapolis in 1914, Admiral Cochrane served on the U.S.S. *Rhode Island* in World War I. He has had extensive experience and training in the design, engineering, construction, and repair of naval vessels. He holds the degree of master of science in naval architecture from the Massachusetts Institute of Technology. As a major originator of the destroyer escort vessel, he contributed to the defeat of the U-boat in World War II.

REAR ADMIRAL WILLIAM J. CARTER has served as chief of the Bureau of Supplies and Accounts, Navy Department, since March, 1945, and as assistant chief for three years previous. Admiral Carter studied at Wofford College, Spartansburg, South Carolina, and Cornell University, Ithaca, New York. He was commissioned as assistant paymaster in the Navy in 1917. He has had considerable duty as a supply officer at sea and has had a wide number of varied assignments in supply activities ashore. His training includes postgraduate work in business administration at Harvard and special duties in textile engineering.

DUNCAN S. BALLANTINE, lieutenant, U.S.N.R., received his A.B. degree at Amherst in 1934 and his M.A. degree in history at Harvard in 1936. He is a former instructor in history at the Massachusetts Institute of Technology. He entered the Navy in September, 1942, and, at present, is a member of the section of history and reports in the Office of the Chief of Naval Operations.

CHESTER BOWLES graduated from Yale University in 1924, worked briefly on the *Springfield Republican*, and then went into merchandizing work in New York City. In 1929 he established a marketing and advertising business. He worked as a volunteer in organizing the first rationing boards in the state of Connecticut, served as state director of the OPA for that state, became general manager of the OPA in July, 1943, and administrator in November, 1943.

FREDERICK GUTHEIM was separated from the Army shortly after this issue of the *Review* went to press. He is a graduate of the University of Wisconsin, and did graduate work in public administration at the University of Chicago. He entered the federal service in 1932 as consultant in housing and community development, Office of Indian Affairs, and prior to his induction in 1944 was field representative, National Housing Agency, in Hampton Roads, Virginia. He studied at the École des Hautes Études Urbaines in 1930, and was again in France in 1935 and 1945.

JOHN W. MASLAND has been a member of the faculty of Stanford University since 1938, and is at present an associate professor of political science. In 1942-43, he served in the Department of State and in 1945 was an assistant secretary of Committee I/2, UNCIO. Since 1943, he has handled Japanese area instruction in the Army Area and Language and Civil Affairs Training School programs at Stanford. He has a Ph.D. from Princeton University.

Reviewers:

ARTHUR W. MACMAHON is professor of public administration at Columbia University. He is co-author of *Federal Administrators* and *The Administration of Federal Work Relief*.

M. L. WILSON is director of extension work, U. S. Department of Agriculture, and chief of the nutrition programs branch of the Production and Marketing Administration of the department. He has also had experience as a county agent, as a member of the faculty of Montana State College, and as assistant secretary and under secretary of Agriculture.

MYRON P. GILMORE, lieutenant commander, U.S.N.R., is associate professor at Harvard University on leave to serve in the Navy. He is a graduate of Amherst and has a doctorate from Harvard.

E. B. SHULTZ is chief of the personnel relations staff of the personnel department of the Tennessee Valley Authority. He also serves as a part-time public member of the Regional War Labor Board in Atlanta and was loaned full time in that capacity for the first three months of the Board's existence.

MERLE FAINSOD has been a member of the faculty of Harvard University since 1932 and is at present associate professor of government. In 1942-43 he was director, retail trade and services division, Office of Price Administration. He served as deputy director, Civil Affairs Training School, Harvard University, from September, 1943 to August, 1945.

Public Administration Review is intended to promote the exchange of ideas among public officials and students of administration. The various views of public policy and public administration expressed herein are the private opinions of the authors; they do not necessarily reflect the official views of the agencies for which they work or the opinions of the editors of this journal.

ADMINISTRATIVE PROBLEMS IN NAVAL PROCUREMENT AND LOGISTICS

Foreword

By JAMES FORRESTAL

Secretary of the Navy

OUR victory in the war which has just been won was brought about by the magnitude of American industrial production as well as by the courage and tenacity of our soldiers, sailors, and marines. Never before in history had any nation produced so much in so short a time. Vast as the task of production was, there was added to it the equally difficult problem of distribution. Not only did we have to produce the munitions of war and the fighting ships, but we had to build an even greater fleet of transports and airplanes to insure that the nation's productive capacity could be brought to bear against our enemies.

Even before the United States became directly involved in hostilities, our industry was meeting vastly increased demands. We had assumed the role of the arsenal of democracy and had begun the expansion of our Navy and the equipping of our Army.

NOTE: These articles on naval administration, as in the case of all government projects, are somewhat in the nature of a cooperative undertaking. Lieutenant Commander Robert H. Connery, U.S.N.R., has served as editor for the whole series. In addition, Lieutenant Elting E. Morison, U.S.N.R., formerly assistant dean at Harvard and author of *Admiral Sims and the Modern American Navy*, who is now attached to the Office of the Chief of Naval Operations; Lieutenant Paul J. Strayer, U.S.N.R., formerly assistant professor of economics at Princeton University, now historian of the Bureau of Ships; and Lieutenant James Colvin, U.S.N.R., Nieman fellow of Harvard University and formerly of the University of Chicago, now historian of the Bureau of Supplies and Accounts, have supplied valuable assistance in the preparation of material in their respective offices.

With our entry into the war the nation passed from an economy of abundance of raw materials to an economy of scarcity. Not only did the Navy's program necessitate much greater quantities of raw materials and increased manufacturing facilities, but the nation was called upon to meet similar programs of the Army and the Merchant Marine, to provide for civilian needs, and to assist our allies. While it was possible to expand production to a notable extent through various incentives, it was not possible by this means alone to meet the almost unlimited demands made upon the national economy.

The Navy's needs—and properly so—had to be balanced against other needs of the nation and of our allies. The solution was the allocation of available material by the War Production Board and its affiliated committees.

The speed of our advance in the Pacific paralleled the output of our factories. During 1942 and much of 1943 we were forced to forego any offensive, not only because of the damage suffered at Pearl Harbor but also because the industrial machinery of the country was in the process of shifting into high gear for the construction of those huge task forces which late in 1943 began driving Japan from the seas and skies of the Pacific.

The enormous scope of the Navy's procurement activities is indicated in some of the articles which appear elsewhere in this

issue. It is sufficient to note here that the Navy absorbed a full quarter of the nation's industrial output. Early victory meant saving lives—and early victory depended directly upon the rapidity with which men could be trained for combat and factories prepared for maximum production. The size of the program, the necessity for speed, and the scarcity of raw materials made naval logistics an inseparable part of the life of the nation.

We may well ask ourselves what lessons we can learn from our experience in this war. History, of course, will not repeat itself in all details, but this experience indicates the type of problems we may have to face in the future. Furthermore, it seems to me important that we think over these problems now, since we cannot expect again to be so fortunate as to have the time for preparation after war begins. Scientific advances have made our world smaller in both space and time.

We cannot anticipate, however extensive the advances of the nation's industry in peacetime may be, that we can be prepared to meet fully the nation's wartime needs. This is partly because of the quantity of supplies needed in wartime and partly because war needs are specialized. We should assume that, if there is a future conflict, we shall have to establish machinery to allocate raw materials, facilities, and manpower within the nation as well as between our allies and ourselves.

Within the Navy's own administrative organization there are important lessons to be learned from our experience in this war. It is perhaps trite to say that this is an age of specialization, and that there is a need for specialization in the procurement and training of naval personnel. During the war the Navy was fortunate in being able to draw upon many reserve officers with experience in business, industry, finance, and law. Indeed, 95 per cent of the commissioned personnel in our Office of Procurement and Material had training in

those fields. While the services of reserve officers of such experience will presumably be available in any future emergency, it is nonetheless desirable, first, that those reserves bring with them a clear knowledge of the Navy's mechanisms and missions and, second, that regular officers recognize the importance of civilian skills in industrial mobilization. Furthermore, officers charged with planning naval procurement, logistics, and supplies need to be well-trained specialists. We propose to recognize the need for specialists in this field not only by proper training but by providing a career for officers so trained.

In addition to personnel, however, the Navy needs machinery in peacetime for the continued planning and control of the Navy's procurement. The centralized offices which were created during this war to collect data, determine Navy requirements, and exercise an over-all control over the several bureaus of the Navy Department should be continued as part of the Secretary's Office.

These administrative problems of the war are of a magnitude which dwarfs those of peacetime government. During this war students of administration have served the Navy well in the efforts made to appraise and improve organizational policies and procedures. Social scientists have a contribution to make in the analysis of these administrative problems. I hope that in the postwar years they will continue as civilians to give attention to such problems and that the cooperation of students of administration and naval officers may lead to wider appreciation of the Navy's problems. A particularly fertile field of research may be found in the problem of meshing civilian and military skills into the best possible Navy supply system. Studies of the subject would contribute to the solution of future problems in the administration of naval logistics, procurement, and supply—and their solution is an important measure of preparedness.

History—A Means of Self Analysis

By ADMIRAL E. C. KALBFUS, U.S.N. (Ret.)

Director of Naval History

HALF a century ago, when I was a plebe at the Naval Academy, Mahan wrote with truth that "steam navies have as yet made no history which is to be quoted as decisive in its teachings." In the years that have intervened since that time, steam navies have made history in the Spanish-American War, the Russo-Japanese War, and World War I, and much of it has been "decisive in its teachings." In the war with the Axis powers, a vastly expanded United States Navy has been tested to its full capacity and the potentialities for further advance in professional education are correspondingly great. The Naval Historical Program is calculated to ensure that the lessons to be learned from the Navy's participation in World War II, both from the standpoint of the human factor and from that of the logistic support, shall not be lost.

The primary function of the armed forces is to support and enforce the external policies of the state. The power at their disposal depends upon the extent to which effort can be exerted by their fighting strength, its material and human components nicely balanced. The elements of the material component—arms, ammunition, and other equipment—although indispensable, are impotent without the direction and energy supplied by the human component, and the converse also obtains; neither component can stand alone.

The problem of effecting nicety of balance between the human and material components of naval fighting strength is one of rare complexity. The tasks to be executed by those who fight from ships have no counterpart in any other calling. The material

equipment distinctive of the naval profession likewise is not duplicated elsewhere and, except in minor isolated instances, is not interchangeable with that in use on shore. It is, therefore, particularly important that the record of the performances both of naval men and of their equipment be carefully and accurately kept.

In comparison with European nations we have been lax in laying the foundation for writing the naval history of our past wars. It should be reassuring, therefore, to note that close attention is now being given to recording the happenings of the global war in which we have been engaged and to the study of those vast problems connected with the operations of the fleets, the bureaus and offices of the Navy Department, and the naval bases beyond the continental limits.

The primary purpose of the Office of Naval History is to make available factual material for official use both current and future. The immediate concern of the office is the processing of source material into usable form rather than its publication for popular consumption. The office is engaged chiefly in arranging systematically the accounts of operations on our far-flung battle fronts and on the more prosaic, but equally vital, logistic front at home and overseas. Since there is a clear dividing line between combat and other operations afloat and the activities of the shore establishment, including command headquarters offices located ashore, the program has conveniently been divided into two parts—operational history, on the one hand, and administrative history, on the other.

The Navy is fortunate in having ob-

tained the services of those distinguished historians, Professor (now Commander, U.S.N.R.) Samuel E. Morison, of Harvard, and Professor Robert G. Albion, of Princeton. The former is preparing an over-all history of naval operations, while the latter is devoting his attention to the administrative side of the program. Immediately assisting Commander Morison and Professor Albion are five naval officers recruited from the universities of the nation and professionally trained in history, political science, and economics.

These, with the director and the deputy director, both of whom have additional duty elsewhere, and three officers who attend to the executive details of the office routine, constitute the officer personnel of the Office of Naval History. In addition, all major naval commands have historical officers, who were carefully selected for their qualifications and who are directly responsible to the heads of these activities for the adequacy and accuracy of the coverage. The Marine Corps and the Coast Guard maintain their own historical sections under the general supervision of the director of naval history.

The methods used in compiling the operational and the administrative history do not differ fundamentally. In both fields, documentation—official and otherwise—forms the essential basis for the naval history of the war. The documents are linked together by first-draft narratives which bring the files into manageable form and provide interpretive digests of the most significant events. Naturally, those of the administrative field are the more voluminous both because of the nature of the subject

and because there is an inevitable overlap between operations and administration. The very volume of the documents presents a major problem, since this mass of material must be reduced to usable form if the purpose of the historical program is to be served. To this end, it is planned to compress the material into documented first-draft narratives and then to compile an administrative history of the Navy Department in reasonably small compass. The bibliography of the latter will consist primarily of the several narratives, illustrated and bound for ready reference and available for expansion into monographs on a multitude of subjects to meet particular needs.

The first-draft administrative narratives have had less obvious, but nonetheless important, use as a "tool of management" in the day-to-day conduct of the war. These analyses and summarizations have proved most useful in maintaining a continuity of policy and in providing the responsible personnel at the top level with a source of dependable information. This is an important adjunct to naval history, providing a bridge between history, the concern of the future, and public administration as understood by the political scientists.

The articles that follow are excellent examples of the immediate usefulness of the Naval Historical Program. They present in brief form the major administrative problems with which the Navy has been faced, particularly in the field of procurement, supply, and maintenance, whose solution has been vital to the immediate conduct of the war and will be essential to the welfare and security of the nation in the days to come.

The Administration of the Navy, 1798-1945

By ROBERT G. ALBION

*Assistant Director of Naval History, Navy Department
Professor of History, Princeton University*

THREE irate captains waited upon the Secretary of the Navy on a May day in 1815. John Rodgers, Isaac Hull, and David Porter, with their wartime laurels still fresh, constituted the Board of Naval Commissioners, newly created to manage construction, supply, and other material activities. They had heard rumors that a squadron was to be despatched on a distant mission, and were amazed that they had not been consulted. Secretary Benjamin Crowninshield from Salem had had his own quarterdeck experience. At twenty-four he had commanded one of his family's crack merchantmen on a voyage around Good Hope to the Orient. "The destination of squadrons," he told the professionals, lay outside their jurisdiction; he would inform them of such matters only at such time as he saw fit. The dispute was carried to President Madison, who backed his civilian Secretary.

Fifty-four years later, Porter's son, a vice admiral full of Civil War honors, convoyed Grant's first Secretary of the Navy on his initial visit to the department. Adolph E. Borie, sixty-year-old Philadelphia merchant, had little inclination and less aptitude for the position which his friend Grant had bestowed upon him. While making the rounds, Porter drew a bureau chief aside and said that the President had told him to run the department as Borie's adviser. Porter made the most of his power during the three months that Borie lasted.

Those two episodes represented the extreme advances made by each side in the

never-ending contest between the civilians and the professional officers for control of our naval administration. Like the War Department and the Admiralty, the Navy Department has been faced with the vexing problem of determining whether the civilian or the military shall have the final word in the direction of events.

It is an almost insoluble dilemma. The basic nature of our government, on the one hand, calls for the ultimate determination of policy by civilians. The very purpose of the Navy Department and the Shore Establishment, on the contrary, is to support a successful wartime fleet; the professional line officers, who have devoted their lives to such an end, naturally feel that they are best qualified to direct such complicated matters. The resultant differences of interest and opinion have produced so much perennial friction that many of the Navy Department's developments of the 1940's can be fully appreciated only as additional entries in chapters which run back into distant decades.

Secretaries and seagoing officers have not been the only parties concerned in naval administration. The civilian executive authority, exercised normally by the Secretary and his deputies, has been taken over by at least two Presidents. The civilian legislative authority has also figured strongly in the picture, through the Naval Affairs and Appropriations committees of Congress. The Bureau of the Budget has also made its weight felt in recent years. Certain groups of naval officers, moreover,

have not always seen eye to eye with those who do the sailing and the fighting. These are the staff corps (supply, medical, etc.), strongly entrenched in some of the bureaus. Down through the years these different elements, representing separate attitudes and interests, have lined up in varying combinations.

Before analyzing the interplay of these various forces, we may review very briefly the major points in the Navy's administrative history.

When the Constitution went into effect in 1789, there was no Navy Department. The War Department was given control of everything—a few hundred soldiers and no warships at all! By 1798, when the first frigates were preparing for sea, a separate Navy Department was established. Until 1815 it consisted simply of a civilian Secretary and a few clerks. The experience of the War of 1812 showed the need of professional participation. Three of the outstanding heroes of the war, as we saw, were appointed to a new Board of Naval Commissioners, charged collectively with the material functions of naval administration. The trouble was that no one in particular could be held responsible. That led, in 1842, to a major landmark in the department's history. By the creation of five bureaus (later eight), responsibility was divided up, with each chief held to account only for his own specialty. So things went on for some seventy years, with a civilian Secretary, often quite inexperienced in naval affairs, and a group of bureau chiefs, partly staff and partly line, concerned with their particular spheres of influence. There was no over-all professional guidance or coordination; in particular, no one was charged with the planning and control of military operations. "War," complained one admiral, "is the only thing for which no arrangement is made." For a full half-century, the seagoing line officers clamored for something like a general staff. The Secretaries, the bureau chiefs, and Congress,

sensing a possible diminution of authority and arguing the danger of a military clique beyond civilian control, managed to keep matters from coming to a head until 1915. Then, when a chief of naval operations was finally established, he could only plan and coordinate; he could not issue his own orders to bureaus or fleet. The "line" finally won considerable power immediately after Pearl Harbor. The commander in chief of the United States Fleet was transferred from his distant flagship to headquarters in the Navy Department; shortly afterwards he was also made chief of naval operations. In addition, he was a member of the Joint Chiefs of Staff, which had over-all control of strategy. The "general staff," however, was not achieved in its entirety, while the bureaus still enjoy a considerable degree of autonomy, but the "line" achieved a voice in the running of the Navy in this war far stronger than in any of our previous conflicts.

The Civilian Executives

THE United States and Great Britain have normally chosen civilians to head the administration of their fighting services. Admirals Anson and St. Vincent have been among the very few senior professionals in the long series of First Lords of the Admiralty running back to 1708. Thanks to the refusal of Commodores Rogers and Stockton to accept the proffered secretaryship of the Navy, our civilian record has been unbroken. The American method of selecting cabinet officers on the basis of geographical and other considerations commonly produces Secretaries initially unacquainted with the fields they are called upon to administer.

A few of the forty-seven Secretaries of the Navy had had useful experience in naval administration. The first few Secretaries were familiar with shipping. Welles had served as a civilian bureau chief; Paulding had had almost a quarter-century as a navy civilian. Herbert and Swanson

had learned much about the Navy as chairmen of congressional Naval Affairs Committees. Newberry and Edison were promoted from assistant secretary for brief terms as head of the department. No one, probably, came better equipped than Forrestal, fresh from four strenuous wartime years as under secretary, in addition to having served as a reserve naval aviator in the last war. Many of the others, however, possibly did not know bow from stern when they took the job, although no one else revealed his ignorance as naively as Thompson, whom Hayes selected from Indiana. He was the first Secretary from beyond the mountains; on visiting a navy yard, he expressed amazement that ships were hollow!

Naturally, it annoyed the professional sea dogs to realize how many important questions might be determined by such a man. They were ready enough to have him attend cabinet meetings to keep in touch with national policy. They would give him the proper sideboys, ruffles, and nineteen guns when he visited a warship. But, while realizing that naval authority was exercised in his name, they would quite approve of the plaintive lament of Metcalf, one of Theodore Roosevelt's shortlived Secretaries: "My duties consist of waiting for the Chief of the Bureau of Navigation to come in with a paper, put it down before me with his finger on a dotted line and say to me 'Sign your name here.' It is all any Secretary of the Navy does." That final remark was an exaggeration; in case of doubt, one has only to consult any senior naval officer about the Daniels regime.

The civilian Secretary had one distinct advantage. Coming fresh upon the scene, he could often detect needs or defects to which the veteran professional minds were accidentally or deliberately closed. He was in a position to lend an ear to suggestions that might never have fought their way up "through channels." The occasional secretarial support of what seemed to be useless fads was more than offset by many solid

gains. Bancroft's founding of the Naval Academy; the work of Hunt, Chandler, and Whitney for the "new Navy," and Edison's influence in the field of naval construction are all cases at point. Many activities of the complex modern naval establishment, moreover, call for talents more closely geared to the New York or Chicago business district than to the quarterdeck. Without trespassing in the professional preserves of strategy and tactics, an able Secretary can contribute much in handling of the daily grist of administrative problems and in arbitrating intradepartmental differences. The main desiderata in the selection of a Secretary of the Navy are administrative aptitude, vision, and common sense.

Most Presidents have kept their hands off the Navy Department, content with being consulted on major appointments and problems. Lincoln and Wilson both let their journalist Secretaries pretty much alone. The two Roosevelts, however, were exceptions to this rule. Each had a strong love of the Navy; each had served as assistant secretary and knew the department well; and each yielded to the temptation to run naval administration from the White House as Commander in Chief. Theodore Roosevelt gave the War Department one of its strongest Secretaries, but appointed five Secretaries of the Navy within seven years. Mahan criticized this practice, declaring that the Navy Department was a full-time job—"No man can run it and the Presidency together." Franklin D. Roosevelt followed the same course. A firm and stubborn believer in civilian control, he furnished no small amount of that control himself in everything from the naming of ships to discussions of grand strategy.

"I do not believe that any man can understand the Navy Department in less than two years of continuous, earnest application," declared Secretary Newberry. The terms of the Secretaries averaged only three years, while the bureau officers were changed almost as frequently. That tran-

sient nature of its top personnel has been a distinctive feature of the Navy Department. The purely civilian departments have a similar rapid turnover of Secretaries, but just beneath them are veteran bureau and division heads well versed in traditions and operations. British naval administration provides continuity in policy and practice through a group of civilian Admiralty officials of executive caliber, notably the Permanent Secretary. Samuel Pepys was the prototype of these intelligent custodians of tradition, whose terms have averaged some twenty years apiece.

At the outset, our Navy Department had a sort of Samuel Pepys in the person of Charles W. Goldsborough. Member of a solid Maryland family, he joined the department as a clerk in 1798, became chief clerk in 1802, and continued almost without a break, serving also as secretary of the Navy Commissioners until 1842, when he became one of the original bureau chiefs for a year. No successor adequately filled his shoes. The quality of the chief clerks gradually declined; to a bright young civil servant, the Navy Department has offered a far less promising career than the purely civilian departments because the section, division, and bureau posts are monopolized by officers. During the recent war the post of chief clerk finally disappeared altogether.

The magnitude of the Civil War problems led Welles to look for a substantial right-hand man. In 1861 the office of assistant secretary was created. Welles made a happy choice for the post. Gustavus V. Fox had served for eighteen years as midshipman and officer in the regular Navy when he resigned in 1856 to go into business. He therefore brought a combination of talents to the post, which he filled in admirable fashion. He had one successor in the post before it was abolished in 1869. It was not revived until 1890; since then it has become a permanent part of the department, but the turnover in incumbents has been about as rapid as in the secretaryship. The assist-

ant secretaryship has become celebrated as an appanage of the Roosevelt family, four and a half of whom have held it—Theodore, Franklin D., Theodore, Jr., Henry L., and T. Douglas Robinson, whose mother was a Roosevelt.

The position had two separate functions. One was to exercise the secretarial powers in the absence of the Secretary. The outstanding utilization of this opportunity came on an afternoon early in 1898 when, with Secretary Long away for a few hours, Theodore Roosevelt issued a drastic set of orders that put the Navy in an advanced state of readiness for the Spanish-American War. In addition to that "acting" function, the assistant secretary was from time to time assigned specific responsibilities, foremost among which was the Shore Establishment. Later, civilian personnel and departmental administration were added.

A second coadjutor to the Secretary was provided in 1926, when Edward P. Warner became the first assistant secretary for aeronautics, in the days when naval aviation was in its infancy and needed a special friend at court. The post lapsed for a while, to be revived as assistant secretary for air in 1941.

The senior post of under secretary was created in 1940 to give civilian leadership to the tremendous procurement program facing the rapidly expanding Navy. James Forrestal was the first to hold this office. Since the death of Secretary Knox, the specific responsibilities of the under and assistant secretaries have been exchanged.

Gradually, a considerable group of varied activities, not assigned to bureaus, developed under the supervision of one or another of this civilian quartet. At present, these include such major offices as those of the judge advocate general and the management engineer, the Administrative Office, and the Offices of Procurement and Material, Public Information, Industrial Relations, Research and Invention, and Naval History, also numerous boards, headed by the august General Board. Formerly the

whole aggregation was known as the Secretary's Office. Late in 1942 that phrase was limited pretty much to the four Secretaries and their immediate aides and special assistants; most of the rest were designated as the Executive Office of the Secretary. Important internal administrative changes have been made in this field during the recent war.

A mile to the eastward of the department, other civilians sometimes influenced naval administration even more than the executive officials. The size of our fleet, the scope of the Shore Establishment, and the organization of the department could all be profoundly affected by the decisions of the Naval Affairs or Appropriations committees of the two houses of Congress, especially in time of peace. Their chairmen, in particular, frequently had more time to master the subject than did the departmental officials with their rapid turnover. Eugene Hale, for instance, headed the Senate Naval Affairs Committee from 1881 to 1911; Carl Vinson has been chairman of the House Naval Affairs Committee since 1931. Such men not only acquired a wide knowledge of naval matters but could also achieve powerful influence; Hale, it is said, used to refer to "my Navy." Secretaries and admirals made frequent pilgrimages to "the Hill" to discuss reorganization or to defend their budget. The officers of the "silent service" often found it much easier to "manage" a new or weak Secretary than to hold their own in the rapid-fire dialogue of those hearings; some of the more successful bureau chiefs, however, were quite effective. Of late, the Bureau of the Budget has arisen as a still further potent civilian influence in naval affairs.

The Bureaus

COGNIZANCE," a word of mystic significance in naval circles, is the keynote of the Navy Department's century-old bureau system. It implies responsibility and jurisdiction for a specific field of activity, together with a vigorous "Hands

off!" toward any outsider threatening to poach in those preserves. The system, as we saw, came into being in 1842 because the previous system of collective responsibility was regarded as a failure.

The first few Secretaries had to wrestle alone with the complicated details of the various material activities of the Navy—shipbuilding, ordnance, hospitals, and the like. The increased burdens imposed by the War of 1812 led the Secretary to ask for assistance. Early in February, 1815, just before the news of peace arrived, Congress set up the Board of Navy Commissioners; three senior captains were charged jointly with the handling of these "civil" activities. John Rodgers, the first president of the board, accomplished much, but, as time went on, criticism of the board's results became general.

Congress thereupon took a step in the opposite direction in September, 1842, setting up five bureaus, each headed by a chief with responsibility for results in his particular specialty. Twenty years later, three more bureaus were added. One of these, Equipment, was abolished in 1910, and some other minor changes have occurred. Without tracing all the changes step by step, the ancestry of the present bureaus can be outlined as follows:

Yards and Docks (1842). Originally Navy Yards and Docks; lost jurisdiction over navy yards in 1862. Responsible for construction and maintenance of public works. Now operated by civil engineering corps. "BuDocks."

Ships (1940). Combination of Construction and Repair (1842) and Engineering, originally Steam Engineering (1862). Responsible for design, construction, machinery, and repair of vessels. Formerly operated by construction and engineer corps; since 1940 by "engineering duty only" line officers. "BuShips."

Supplies and Accounts (1842). Name changed from Provisions and Clothing in 1892. Responsible for some procurement and for storage and distribution of supplies, together with pay and accounting. Operated by supply (formerly pay) corps. "BuSandA."

Ordnance (1842). Originally Ordnance and Hydrography to 1862. Responsible for guns, ammu-

nition, and numerous later devices. Operated by line officers. "BuOrd."

Medicine and Surgery (1842). Responsible for medical activity afloat and ashore. Operated by medical corps. "BuMed."

Naval Personnel (1862). Name changed from Navigation in 1942. Originally scientific bureau, including hydrographic office, naval observatory, etc. Later gradually acquired responsibility for procurement, training, and detail of naval personnel. Operated by line officers. "BuPers."

Aeronautics (1921). Responsible for various aviation activities; operational functions transferred to the deputy chief of naval operations (air) in 1943. Operated by aviation line officers. "BuAer."

The bureaus are an integral part of the Navy Department. The chief, who is held individually responsible for the performance of his bureau, is "spotted" to temporary flag rank during his four-year term, as is the assistant chief in recent years. Bureau cognizance, as will be seen, extends to the Shore Establishment, as well as to the "departments" of every warship.

Frontier disputes over cognizance were formerly most conspicuous in the field of naval construction. For a half-century, four different bureaus (Construction and Repair, Engineering, Ordnance, and Equipment) jealously guarded their rights to certain portions of the task. A particular pipe, for instance, would pass at a certain spot from the hull cognizance of "C & R" to the machinery cognizance of Engineering. Uncoordinated planning at times produced strange results. One vessel years ago, for instance, was left with only bunker space enough for three days cruising. Since 1940 the Bureau of Ships has had cognizance of the whole construction except for guns, armor, and certain allied details retained by "BuOrd."

The products and performance of the individual bureaus, however, have on the whole been satisfactory. The constant attacks levelled against the system were caused by the pattern of separatism which has rendered difficult an effective coordination of the department. The bureaus'

vitality, however, which has enabled them to survive those attacks, comes from several sources. In the first place, they have all been legitimized by Congress, whereas the coordinating agencies have often been executive creations. Then, too, Congress makes its naval appropriations on a bureau basis. Finally, they never cease to point with pride to the fact that, from the Mexican War on, the Navy has won all its contests under the bureau system.

Some of the bureaus are the main citadels of the so-called "staff corps," whereas others are operated by seagoing line officers. The staff corps developed originally from civilian officials. The original surgeons, pursers, storekeepers, naval constructors, engineers, civil engineers, and chaplains were not rated as naval officers. The early chiefs of provisions and clothing, including Gideon Welles, were civilians, as were the first chiefs of construction and repair. After protracted and bitter struggles, these groups one after another won the right to carry the same rank as the seagoing line officers and to wear the same uniform, except for distinctive corps symbols in place of the line star. Thus developed the medical, supply, and civil engineering corps, which still have their own bureaus (the chaplain corps is part of Naval Personnel). The engineers and naval constructors formerly had their own corps, but in 1940, when the Bureau of Ships was formed, they were blended into the category of "E.D.O." (engineering duty only), wearing the line star but, like the staff corps, not eligible to command.

To all that group, the highest available goal is to become surgeon general, paymaster general, chief constructor, or chief of civil engineering as chiefs of their respective bureaus and corps. One can understand why this group generally was ranged against the attempts of the line to set up a "general staff."

Whereas the staff officers are restricted specialists, versatility is the keynote of the seagoing line. Like the "many-sided man"

of the Renaissance, they are supposedly capable of doing almost anything well—navigation, gunnery, or engineering afloat; administrative jobs of almost any sort ashore. Above all, they have a monopoly of command—and, as Sims remarked, “There is no experience in the world quite so agreeable as commanding a successful ship.”

To such a group, serving as chief of ordnance, naval personnel, or aeronautics is not necessarily the top of the ladder; it may well be the step to higher things. The beau ideal of ordnance, for instance, was Admiral Dahlgren, who went from the bureau in command of a fleet which bombarded Charleston with guns he had invented. Dewey, Sampson, and Schley had all been bureau chiefs; so too, were our three five-star admirals, Leahy having headed ordnance and navigation; King, aeronautics; and Nimitz, navigation. The line bureau chiefs, in view of their further opportunities, were less strenuous in resisting efforts to coordinate the bureaus.

Shore Establishment

THE bureau system gradually extended its influence out into the far-flung Shore Establishment, whose administrative development is a story by itself, deserving more space than it can receive here. It began with the establishing of navy yards along the coast around 1800; as time went on, hospitals, receiving ships, supply depots, ordnance plants, air stations, and scores of other activities swelled the “landgoing Navy” to tremendous proportions.

The year 1868 was the most significant date in the shore story. The naval officers faced wholesale unemployment as the swollen Civil War Navy shrank to a meager handful of cruisers. Of the fifty line captains in 1868, only a dozen were at sea at \$3,500 a year, while sixteen were “on leave or waiting orders” at \$2,100 a year; most of the rest were on shore duty at \$2,800. It looked as though the “waiting orders” cate-

gory (equivalent to the British “half pay”), professionally and psychologically so unsatisfactory, might increase radically as the Navy entered on its neglected “Dark Ages.” The answer, which was to have vital lasting influence, was a general order that fixed periods of shore duty should alternate with fixed periods of sea duty. New shore billets were created, the threatened periods of inactivity were averted, and the line officers from that time on spent almost half their time ashore. The line captains in 1868, in their average thirty-four years of naval service, had spent some 22 per cent in shore duty and 21 per cent “on leave or waiting orders.” By 1915, thanks to the increased opportunities in the Shore Establishment, those percentages had shifted to 41 and 4, respectively.

Many of the new shore billets had been created in that same year (1868) by extending the bureau system to the navy yards. Each bureau had its own autonomous “department” in the yard, with its own power house, machine shop, and all, until 1910. Line officers served as commandants and captains of the yard, with rather easy “military” functions; they occupied the two best quarters, to the annoyance of the chief constructor (later the manager), who was responsible for the industrial work, the real *raison d'être* of the yard. Line officers had similar billets in numerous other shore activities. In contrast, the British naval shore establishments, even to the major dockyards, are staffed principally by permanent civilians; the line officers of the Royal Navy spend a larger proportion of their careers at sea.

Further administrative complications arose with the creation of the naval districts. At their origin in 1903, these were simple organizations to defend strips of seacoast. After the rapid growth of the Shore Establishment during World War I, the districts became geographical areas into which the whole country, and the outlying possessions as well, were divided. The commandant was

given certain not too clearly defined authority over all naval activities within his area. This produced continual friction with the functional cognizance of the bureaus in supply depots, hospitals, ordnance plants, and all the rest. The sea frontiers, or super-districts, followed a similar course of development during this war; originated for military defense purposes, they may follow the example of the Western Sea Frontier, which is now primarily engaged in logistical coordination of all the varied district and bureau activities on the west coast.

Efforts at Coordination

FOR more than a century, the sea dogs shook their heads in disapproval of our naval administration. They questioned the ability of an inexperienced civilian layman, later surrounded by a group of bureau chiefs each concerned with his own cognizance, to "call the signals" adequately, especially in time of war. Moreover, they felt excluded from the seats of power. A mixture of logic and ambition, therefore, precipitated a never-ceasing series of efforts at reorganization, which still continue. It became partly, but not entirely, a civilian versus military contest for control.

To offset the lack of professional coordination in the operational field, temporary boards of strategy were set up during the Civil War and again during the war with Spain. In 1864 came the first of "countless" projects to reorganize the Navy through an increase of professional control. Not only did the Secretaries and the bureau chiefs, especially in the staff bureaus, oppose the proposals, but Congress itself foresaw a possible loss of influence over the Navy if it should fall into the hands of a "military clique." When Congress rebuffed these successive attempts, the chiefs of the Bureau of Navigation gradually assumed a considerable amount of the "line" authority at which the bills had aimed. For a long period, that chief was often the most influential man in the department, moving

ships and assigning officers much as he saw fit.

The overwhelming success of the German army's general staff between 1866 and 1871 led various foreign nations to copy the system fairly closely in their armies and even in their navies. A general staff, organized to cover all the major fields of military and logistical functions, is charged with the preparation of war plans and is "vested with authority to direct all action taken to fulfill the requirements of these plans."

Our experience in the Spanish-American War intensified the demand for such a system in our armed services. The Army, which had revealed the need of drastic overhauling, received a general staff in 1903, divided into the major spheres of personnel, intelligence, operations and training, and supply. The Navy had fared somewhat better during the war; when the chief of navigation proposed a general staff, the result was a mild compromise—the creation of the General Board in 1900. Headed by Admiral Dewey, it was instructed "to insure efficient preparation of the fleet in case of war and for the naval defense of the coast." It performed many valuable services in giving the Secretary competent professional advice on plans in general and the desired types of warships in particular, but it lacked "teeth."

Not satisfied with that, the "line" redoubled its clamor for reorganization, led by a little group of "reformers." Things reached a climax just at Taft was succeeding Theodore Roosevelt in 1909. Three special boards explored the situation and made reports that year. A further step toward a general staff came shortly with the establishing of four line "aides" for fleet operations, personnel, material, and inspection. The various bureaus and offices were divided among them for coordination; collectively they constituted an advisory council on policy and administration. The aide system, however, failed to

get permanent congressional authorization such as the bureaus enjoyed. When Daniels became Wilson's Secretary of the Navy in 1913, he opposed this attempt to "Prussianize" the Navy, as he termed it. When the time came for the aides to go to sea, they were not replaced.

In 1915, however, partial but lasting line coordination came with the creation of a chief of naval operations by Congress. The original bill would have created a virtual general staff, with the chief of naval operations to be "responsible for the readiness of the Navy for war and be charged with its general direction." When the bill finally passed, Daniels had changed it to establish a chief of naval operations "who shall, under the direction of the Secretary of the Navy, be charged with the operations of the fleet, and with the preparation and plans for its use in war." The elimination of the power to direct reduced tremendously the power of the new chief of naval operations. He could not issue orders in his own name either to the bureaus or to the commander in chief; he needed the Secretary's signature on such occasions. Daniels, moreover, tells in his memoirs how he deliberately picked a chief who would not be likely to carry line authority too far. Thus, while a valuable instrument of coordination was set up, real civilian authority was preserved. In 1916 the chief of naval operations was given a group of assistants, who composed the Office of Naval Operations ("OpNav"), covering a wide range of functions not previously adequately covered.

The line "reformers" were still not satisfied; in 1920 Admiral Sims bitterly condemned the quality of wartime administration under Daniels. Then, as assistant secretary, and for many years as President, Franklin D. Roosevelt strongly opposed general staff proposals and upheld the necessity for civilian control. He is quoted as threatening that any naval officer who suggested a general staff would automati-

cally be ordered to Guam (that was in the days before that island attained its recent command eminence). The exact phrase, therefore, dropped out of the proposals, but the reorganization proposals persisted.

The impact of Pearl Harbor finally secured decisive results. Until then the commander in chief of the United States Fleet (abbreviated into "Cominch" after the original "Cincus" became too suggestive) had maintained a staff of modest size on his flagship, wherever it happened to be. He had made his war plans, which were not necessarily identical with those of the chief of naval operations. Now, on December 18, 1941, Executive Order No. 8984 redefined his duties and declared that he "shall be directly responsible, under the general direction of the Secretary, to the President of the United States." Moreover, for the sake of liaison, "the principal office of the Commander in Chief shall be in the Navy Department unless otherwise directed." Certain divisions of the Office of Naval Operations were transferred to the headquarters of "Cominch," to provide an adequate staff to carry out the specific duties, chiefly operational, assigned to him. Three months later, another executive order gave to Admiral King the position of chief of naval operations as well. In the latter role, he was charged "under the Secretary of the Navy, with the preparation, readiness and logistic support of the operating forces . . . and with the coordination and direction of effort to this end of the bureaus and offices of the Navy Department." Thus, one man had definite command over the fleet and "direction" over the bureaus and offices; that latter authority had previously been denied to the chief of naval operations. Admiral King as "Cominch" operated through his chief of staff and later through his deputy; the CNO functions were left pretty much in the hands of the vice chief of naval operations.

In addition to that concentration of line authority within the Navy, tighter than

anything that had gone before, Admiral King also was a member of the Joint Chiefs of Staff, with their over-all authority in Army, Navy, and Army Air operations, and of the Combined Chiefs of Staff, where the Joint Chiefs sat with the British. At the head of those two groups, Admiral Leahy had the novel post of chief of staff to the President in his role of commander in chief of the Armed Forces.

Since this article first went to press, a major reorganization was begun on September 29, 1945, by Executive Order No. 9635, implemented three days later by "Cominch and CNO Serial 8328." The new chief of naval operations inherits pretty much the full scope of the wartime "Cominch-CNO." He is to be the principal naval adviser to the President and the Secretary; he "shall have command of the operating forces";

and is given the same 1942 "coordination and direction of effort" of the bureaus and offices. He has a vice chief and, a novel feature, five deputy chiefs for personnel, operations, administration and services, logistics, and air. This has a certain "general staff" appearance; actually the deputies somewhat resemble the old "aides," for the bureaus may still retain considerable autonomy. To offset this strong "line" arrangement, direct civilian secretarial control is implied for two appropriate major offices which will coordinate the "procurement, contracting and production of material" and "naval research, experimental, test and development activities." Altogether it seems an intelligent and happy compromise between those extreme positions once taken by Secretary Crowninshield and Admiral Porter.

Organizing the Navy's Industrial Mobilization

By LIEUTENANT COMMANDER R. H. CONNERY, U.S.N.R.

Office of Naval History

EVERY war gives birth to popular phrases intended to indicate its scope and character. The war just ended was no exception to this general rule, and newspaper readers have become familiar with the terms "blitzkrieg," "total war," and "global struggle." As a matter of fact, few of these characterizations represent new concepts in warfare. Woodrow Wilson might have used the term "total war" when in 1917 he declared, "It is not an army we must shape and train for war; it is a nation." The same concept was expressed in greater detail in the 1939 revision of the Industrial Mobilization Plan: "War is no longer simply a battle between armed forces in the field—it is a struggle in which each side strives to bring to bear against the enemy the coordinated power of every individual and of every material resource at its command. The conflict extends from the soldier in the front line to the citizen in the remotest hamlet in the rear."

The material problem in modern warfare, consequently, is essentially one of coordination. The needs of the battle front must be balanced against those of the home front. It is not a simple problem, however, because none of the factors involved remain static for any length of time. All are in a constant state of flux. The Navy's industrial mobilization was only one part of the industrial mobilization of the nation. To apply an old witticism, it was the war that made the Navy's procurement problems difficult. Therefore, what were the nation's problems in industrial mobilization?

Factors of Industrial Mobilization

FUNDAMENTALLY, industrial mobilization concerns raw materials, manufacturing facilities, manpower, transportation, power, and managerial ability. This classification is not entirely original, since the Industrial Mobilization Plan of 1939 analyzed the problem in much the same way. Obviously, these factors are separate only to a degree and in many stages of the mobilization process are closely interdependent. The amount of manpower, for instance, drawn from civilian employment into the armed forces will have a direct bearing on the quantity of munitions which can be produced for the armed services.

The extent to which a nation's industrial system must be expanded or converted for war obviously depends upon the nature of the war to be fought. Unfortunately, in a defensive war, and particularly in a democracy subject to the pressures of an uncertain public opinion, this fundamental question is not an easy one to answer. It is not a question of what the Navy needs, for example, but what the Navy will be required to do—protect neutral commerce, defend our coasts, convoy an army to Europe or to the Far East, or conduct a "seven-ocean war." Military requirements will depend upon strategic considerations, but these, in turn, will depend upon the international policies which the nation expects to follow.

There are certain assumptions, however, which may be made even before exact military requirements are determined. It can be assumed, for instance, that military re-

quirements in a war of any magnitude will exceed the productive facilities normally engaged in meeting the peacetime requirements of the military forces. If the manufacturing facilities devoted to military production are to be increased, this increase can be brought about either by converting existing industrial facilities to military production or by erecting new facilities. If civilian industry is to be converted to military use, the order and extent of the conversion will have to be determined. But the maximum extent of the conversion can only be determined by stating the subsistence requirements for civilians as well as the military requirements. This is a fact which is frequently overlooked in discussing conversion, as is indicated by the fact that it was not until February, 1943, that a serious effort was made to determine minimum civilian requirements.

New plant construction will absorb part of the raw materials immediately available, and thus only from a long-term point of view will plant construction increase the actual armament of the nation. The location of new manufacturing facilities and the conversion or expansion of existing facilities may necessitate new housing, transportation, and power developments. These, in turn, will require additional raw materials.

It can be assumed, consequently, that the demand for certain raw materials will far exceed the supply, so that some continuing administrative machinery will be necessary to control the flow of raw materials. Time will be precious—much more precious in war than in peace—and industrial production will have to be scheduled carefully to insure that both raw materials and components arrive at manufacturing and assembling points as they are needed but not before. Inventory controls to prevent overstocking will be essential.

It is difficult enough to shift the major portion of a nation's industrial output from "butter" to guns in peacetime, but it is

infinitely more difficult in wartime because of the uncertainties of the war itself. True enough, war removes one uncertainty by defining the enemy, but it does not determine what he will do. The best informed American naval opinion in the period immediately preceding Pearl Harbor was that if we should enter the war against Germany our main task in the Atlantic would be the protection of convoys bound for Great Britain. Short-range German submarines, it was expected, might attack the convoys in a zone close to the British Isles. The Germans, however, refused to play according to our rules and built long-range submarines that harried our coastal commerce to such an extent that top priorities had to be assigned to the construction of destroyer escorts and numerous antisubmarine vessels for service in coastal waters.

An industrial mobilization, therefore, not only has to be carefully planned to meet given military and civilian requirements but also has to be flexible enough to meet changes in plan due to enemy action.

The Navy's Peacetime Procurement System

THE Navy's industrial mobilization for this war really began when President Roosevelt announced plans for construction of a two-ocean Navy in July, 1940. Certain steps, it is true, had been taken prior to that time. In June, 1940, funds were provided for a fleet increase of 11 per cent, with corresponding increases in naval personnel. This increase in the fleet, however, had hardly gotten under way when events in Europe forced a revision of the plans and led the President to announce a further increase of 70 per cent in order to give the country a two-ocean Navy. At the same time the President called for increases in airplane production.

At an even earlier date, Congress, by Act of May 17, 1938, had directed that a board be appointed to "investigate and report upon the need, for purposes of national de-

fense, for the establishment of additional submarine, destroyer, mine and naval air bases on the coasts of the United States, its territories and possessions." As a result of the recommendations of this board, of which Rear Admiral A. S. Hepburn was senior member, a base development program had been under way since the fall of 1939.

Significant as were these early steps in national defense, it was not until the two-ocean building program of July, 1940, that the Navy was really faced with the problem of procuring material in quantity. From then until January, 1942, was a period of transition, during which the Navy's normal peacetime procurement system was gradually modified to meet the growing needs of the rearmament program.

Procurement in the peacetime Navy was decentralized and largely shaped by the statutory requirement of competitive bids and the "standard form" contract. At the planning stage, particularly in regard to ship construction, coordination was vested in the hands of the chief of naval operations who, subject to congressional authorization, determined the number and, with the approval of the General Board of the Navy, the characteristics of ships. Within the limits fixed by directives of the chief of naval operations, the various material bureaus—that is, Aeronautics, Ordnance, Ships, Yards and Docks, and Supplies and Accounts—prepared the technical specifications for the design and engineering features and determined the quantities and dates of production. The commercial functions—calling for bids, review of bids, determination of awards, and execution of contracts—with certain exceptions were performed by the Bureau of Supplies and Accounts.

In peacetime, the statutory requirement of competitive bidding tended to make the commercial steps routine. Nearly all the Navy's contracts were on a fixed-price basis, since "cost-plus" contracts had been pro-

hibited after World War I. There were no priorities to be obtained, no price ceilings to be checked, no serious problem of finding sources of supply, no need to finance the building of additional manufacturing facilities, and, in fact, few of the problems involved in a large wartime procurement program.

The first important change in this system came with the Act of April 25, 1939, authorizing the Secretary of the Navy to negotiate contracts on a cost-plus-fixed-fee basis for the construction of naval aviation facilities outside the continental United States. Negotiated contracts were extended further by the Act of June 28, 1940, in order to expedite the naval shipbuilding program. It was not until the First War Powers Act of December, 1941, however, that broad discretionary authority was granted to the Navy to negotiate all forms of contracts.

In peacetime the Navy depended upon private enterprise to build the factories from which the Navy's supplies were purchased. Private enterprise obtained the raw materials, directed their manufacture—except for the navy yards—and arranged for the transportation. In peacetime, consequently, the Navy stood in relation to the nation's economic life in much the same way as any large corporation making purchases in the open market. Economy, not speed, was the watchword, and much of the Navy's effort was spent in various accounting procedures.

Building the Overseas Bases

THE echoes of another conflict had hardly died away when one of the Navy's great secretaries, Gideon Welles, instructed the commander of the North Pacific Squadron in May, 1867, to take possession of Midway, "a small island having a good harbor and safe anchorage, which the Department had information lay in a northwesterly direction from the Sandwich Islands." Captain William Reynolds of the

U.S.S. *Lackawanna*, under date of September 30, 1867, reported: "Having previously erected a suitable flag-staff, I landed on that day accompanied by all the officers who could be spared from the ship, with six boats armed, and equipped, and under a salute of 21 guns, and with three cheers, hoisted the national ensign, and called on all hands to witness the act of taking possession in the name of the United States."

The latter half of the nineteenth century also saw Alaska and various Pacific islands added to our possessions overseas. However, we did little to develop their military possibilities—with the exception of Pearl Harbor—until the Hepburn Board in 1939 recommended the building of naval air stations at Midway, Palmyra, and Johnson Islands and at Dutch Harbor and Kodiak.

The construction of overseas bases, such as Midway, presented a new problem to the Navy. Shore construction up to that time had been handled by private contractors under the competitive bid system. In other words, the government bought a complete facility under the usual fixed-price construction contract. The contractor agreed to build the facility by a specified time and at a specified price—a price which was determined after studying the project's blueprints, examining the terrain, estimating the probable cost of labor and materials, and allowing for the uncertain factors of weather, subsoil conditions, and profits. In the case of overseas bases, however, the Navy felt that time did not permit the preparation of detailed specifications, nor did the prospective contractors have data available on terrain and weather conditions, nor were they in a position to estimate labor costs.

To cover this type of work, the Navy, therefore, developed the use of the cost-plus-fixed-fee contract, under which the contractor was reimbursed for his expenses in constructing whatever the Navy needed at a particular air station in return for a fixed fee. Contracts were negotiated and

awarded on the basis of the contractor's reputation, experience, and resources. In short, the government borrowed management skill and assumed the financial risk. The contractors paid for the labor, materials, and equipment, subject to reimbursement by the government.

Reorganizing the Navy's Procurement System

WHILE the construction of the overseas bases was getting under way, an administrative reorganization of far-reaching significance was being considered for the Navy Department itself. The question of reorganization of the Navy—and, for that matter, of the other executive departments—blooms perennially. Discussion of the administrative reorganization of the Navy in 1939-40 centered around three conflicting points of view: the bureaus, the Office of the Chief of Naval Operations and the Secretary's Office. The problem concerned not only the character of civilian-military relations but also the administrative controls within the military organization. It was not settled by any means in 1939-40 and has remained a problem that will probably re-occur in the postwar period when the permanent organization of the Navy is considered.

Reorganization in the spring of 1939 started with a proposal of the House Committee on Naval Affairs, under the chairmanship of Mr. Carl Vinson. The so-called Vinson Plan would have abolished the bureau system and replaced it with four major divisions: the Office of the Secretary, the Office of Naval Operations, the Office of the United States Marine Corps, and the Office of Naval Material. The Office of the Secretary was to include most of the functions then performed by the judge advocate general, the Bureau of Navigation (Naval Personnel), the Bureau of Medicine and Surgery, and the Office of Public Relations in the Office of the Chief of Naval Operations. While the Office of the Secretary was

to be chiefly a service organization for the other offices, apparently the Secretary was to have additional power to "execute such orders as he shall receive from and carry out the policy of the President relative to procurement, production and the construction of naval vessels, aircraft, etc., as well as all other matters connected with the naval establishment."

Secretary Edison, commenting on the plan, stated that he believed it sound in its recognition of the need for a coordinating officer for the vast industrial and material activities of the naval establishment. He requested, however, that no action be taken until he had an opportunity to submit a detailed plan of his own. The Vinson Plan, consequently, after a series of congressional hearings, was dropped.

Some months later, Mr. Edison made public his plan. He proposed that while the bureaus be continued an Office of Shore Activities be created paralleling the Office of the Chief of Naval Operations. The new office would have coordinating authority over all of the Navy's industrial and material activities. Although not so drastic as the Vinson Plan, the Edison proposals also illustrated the conflicting views regarding the proper administrative organization of the Navy. Secretary Edison, in supporting his plan at hearings in the spring of 1940 before the Special Subcommittee on the Reorganization of the Navy Department¹ of the House Committee on Naval Affairs, said he found that most shore problems ultimately reached his desk, but that they were not properly filtered before they came to him for decision. Said the Secretary,

I took the mail one day that came in to me, and I stacked it up on the floor beside my desk and it came just four inches above my desk top. Now that is one day's mail for the Secretary. Now, I ask you is there any chance for me, working Sundays, nights, and every other time, to get

through that mail and have it mean anything to me, and still have any time left to do any of the thinking I'm supposed to do in making the policies of the Navy? Most of that mass of work that comes to me is shore work. It involves contracts, it involves shipyards, or ship design, and the purchase of land.

The creation of a new Office of Shore Activities would, the Secretary thought, act as a filter for material problems in the same manner that the Office of the Chief of Naval Operations acted as a filter for fleet activities.

When various regular naval officers, including Admiral Stark, chief of naval operations; Admiral Furlong, chief of the Bureau of Ordnance; and Admiral Sexton, chairman of the General Board, were requested to testify on the proposal to establish an Office of Shore Activities, they indicated that they would prefer no change at all in the existing administrative organization, but that, if there must be a change, they would prefer that the authority of the chief of naval operations be increased. If this proposal was not acceptable to the Secretary, they suggested a post for an additional assistant secretary or an under secretary, rather than an Office of Shore Activities.

Admiral C. W. Nimitz, chief of the Bureau of Navigation, succinctly stated the position of the regular Navy when he said:

The present organization of the Navy Department has been developed through a long process of evolution. During this evolution, practically all the difficulties which have existed at one time or another have been overcome and today the organization functions efficiently, economically and without friction. It is a historical fact that the bureau system successfully fought the Mexican War, the Civil War, the Spanish War, and the World War.

As the hearings progressed, the compromise proposal to create the post of under secretary gained ground. Admiral Stark, for example, said:

The Secretary knows his office far better than I do and the load of work in there, which I know is

¹ *Hearings on Reorganization of the Navy Department*, Special Subcommittee, Committee on Naval Affairs, House of Representatives, 76th Congress, 3rd Session.

very great, and if he feels he needs two people, you can give them to him.

At the other extreme, Captain Fisher, who seemed to represent the view of the Secretary's Office, laid much more stress in his later testimony on providing some kind of assistance for the Secretary, rather than the particular form which that assistance would take. Captain Fisher attempted to draw a distinction between the military and nonmilitary activities of the Navy. He argued that the Secretary's Office should be given considerably wider powers in assigning work inside the department with a correspondingly increased staff, particularly to handle the nonmilitary work. Said Captain Fisher:

The Secretary of the Navy is [the President's] general manager for the Navy, and like all general managers he should be provided with a capable and sufficient staff of assistants. . . . The Navy went through World War I under its present organization. I am one of many who believe that this was more in spite of the organization than because of it, and that whatever success the Navy may have had is due more to the loyalty, ability, and efficiency of its personnel than to the system under which they were compelled to meet an emergency without this important tool for the efficient conduct of its business.

As a result of these hearings, a bill was passed in Congress, and signed by the President on June 20, 1940, authorizing the President, "in his discretion, to appoint from civil life, by and with the advice and consent of the Senate, an Under Secretary in the Department of the Navy to serve during any national emergency declared by him to exist, including the present limited emergency. . . ."

Reasonable men could differ in supporting any one of the three proposals: leave the bureau system as it was, increase the authority of the chief of naval operations over material, or create the post of under secretary, which, in effect, would strengthen the Secretary's Office. Military men disagreed among themselves, and civilians familiar with the operations of the Navy

Department were equally divided on the merits of the respective proposals. The argument continued throughout the war.

The proponents of a strong general staff for the Navy favored strengthening the authority of the chief of naval operations. They argued that material procurement was part of logistics. Consequently, they opposed the idea of an Office of Shore Activities on the grounds that it divided a single function between two offices and violated one of the canons of administrative organization.

On the other hand, the bureau supporters pointed out that the Office of the Chief of Naval Operations was staffed by line officers and that the supply corps of the Navy not only offered continuity but specialization in procurement activities. They recalled that in World War I the Bureau of Supplies and Accounts, under Paymaster General Samuel McGowan, successfully administered the Navy's material procurement program. Centralized procurement, they argued, under the Bureau of Supplies and Accounts, with a certain degree of decentralization for special types of equipment among the other bureaus, was the only logical answer to the problem. The bureau advocates also referred to the lack of continuity of personnel in the Secretary's Office and maintained that only in a staff corps could continuity of personnel and policy be maintained.

The third group held out for coordination of procurement in the Secretary's Office, pointing out that the degree of coordination necessary during wartime included, in effect, a new function. This involved coordination with emergency agencies such as the War Production Board, which was manned by civilians. Consequently, they argued, civilian direction of the Navy's procurement was imperative and should be in the hands of civilians or reservists who were familiar with the nation's industrial organization and its representatives.

One may suggest that the important fact was not the exact form the administrative organization might take but rather that there was a recognition of the need for a central coordinating organization in the Navy to handle material functions. It may also be suggested that once this need was recognized the imperative factor was that the organization be directed by a good administrator, irrespective of whether he was a civilian, reservist, or regular naval officer. In that regard, the Navy was fortunate in the choice of its first under secretary, James Forrestal, who was sworn in on August 22, 1940.

Procurement Problems of the Emergency Period

THE Navy's contract procedure was the first of the numerous procurement problems which faced Mr. Forrestal after he took office as under secretary. On September 23, 1940, the President signed the appropriation bill providing for the 70 per cent increase in the fleet. Within a few days, four billion dollars worth of letters of intent were presented to Mr. Forrestal for signature, and soon afterwards the contracts replacing the letters of intent began to stream across his desk. It will be recalled that the Navy was in process of shifting from bid procedure to negotiated contract. In that change, the Navy also was shifting from a standard form contract to a tailor-made one, which varied somewhat for each contract. Mr. Forrestal was immediately concerned with whether the Navy was obtaining good business deals in its negotiations and whether the new contracts were well drawn from a legal point of view.¹ To examine these problems he requested Mr. Struve Hensel, a partner in the law firm of Millbank, Tweed, and Hope of New York City, to come to Washington as one of his

special assistants to investigate the Navy's contract procedures. Mr. Hensel's report in the spring of 1941 led to the establishment of a procurement legal division, distinct from the judge advocate general's office, staffed with able lawyers who had extensive experience in commercial transactions.

At a considerably later date, although the project was begun in 1941, Mr. Forrestal recruited for their special experience a group of businessmen, known as negotiators. Thus, in the negotiation of all Navy contracts after mid-1942 the Navy was represented by a team consisting of a technical officer from one of the bureaus, a businessman from the negotiation division, and an attorney with commercial experience from the procurement legal division. Most of the staffs of these divisions were commissioned as reserve officers, although some continued in civilian status throughout the war.

The increase in the Navy's industrial facilities as provided through the Tax Amortization Plan was another problem which faced Mr. Forrestal in the fall of 1940. The act, which was passed by Congress in October, provided that companies holding national defense contracts would be permitted to write off in their income tax returns over a five-year period the cost of expanding facilities if the plant expansions were certified as necessary for defense. Unfortunately, the National Defense Advisory Commission in its endeavor to protect the government's interests had recommended that so many safeguards be incorporated in the bill that some parts of the plan were virtually unworkable. In the course of its passage through Congress, amendments were added requiring certification by the advisory commission and either the Secretary of the Navy or the Secretary of War that each construction project was necessary, that the contractor was not being reimbursed directly or indirectly for the expanded facilities under supply contracts, and, finally, that the gov-

¹ See H. Struve Hensel and Richard G. McClung, "Profit Limitation Controls Prior to the Present War," 10 *Law and Contemporary Problems* 187-217 (Autumn, 1943) for comprehensive discussion of Army and Navy contracting procedures to 1940.

ernment's interests were adequately protected in the future use of the facility.

In attempting to administer the act, it was discovered that, while standards could be established to justify the issuance of certificates of necessity, it was impossible to prove mathematically in most cases that the company would not be reimbursed directly or indirectly in later supply contracts. It was possible to indicate by a statement of a contracting officer that he did not intend to provide for reimbursement for expanded facilities and had made no allowance to that effect in fixing the price. However, it might well be in the long run that a particular contract would, in effect, reimburse a manufacturer. The precise meaning of the third form of certificate attesting that the contracts adequately protected the United States government with reference to the future use of the facility was undefined in the statute. As a matter of fact, the emergency plant facilities contract itself contained detailed provisions regarding future use.

So confusing were these provisions from the administrative point of view that only eleven naval certificates were issued between October 8, 1940, when the statute became effective, and the end of the year. The need for rapid expansion of the Navy's industrial facilities had been indicated by Commissioner Stettinius at the July 3 meeting of the advisory commission, when he pointed out that there were only four privately owned plants making armor plate and that all four together could not produce enough to meet the needs of the Navy. In each case, however, they were willing to increase their productive facilities and were waiting only to get a definite ruling on the Tax Amortization Plan.

The administration of the Tax Amortization Plan continued to be difficult throughout most of 1941. Finally, as a result of a series of conferences held at the White House, statutory amendments were proposed to Congress, and, to some extent, they

were accepted in an act of October 30, 1941. It was not until February 6, 1942, however, that Congress by joint resolution repealed the subsection requiring nonreimbursement and government protection certificates.

Mobilizing the small manufacturer for the defense program was another problem to which Mr. Forrestal gave his attention. Limitations on the use of strategic materials in the spring of 1941, with resulting decline in the production of civilian goods, and the practice of awarding most of the defense contracts to large producers threatened to force thousands of smaller manufacturers out of business. In this connection, the Navy from the outset was on the alert to exploit any opportunity to speed up production on its program. There were, however, numerous legal problems involved. The Navy could, for example, direct its own yards and the gun factory to spread contracts to small manufacturers, but the Navy's power to require its prime contractors to subcontract was an entirely different matter. The Navy was still required to operate in large part under the competitive bid statutes. Nevertheless, the Navy did establish a contract distribution division in the Under Secretary's Office to assist in spreading contracts within the limits permitted by statute.

The attempt to maintain civilian employment and protect the small manufacturers from the effects of industrial mobilization by forcing the Army and Navy procurement officers to spread their contracts was a very tenuous administrative procedure. The armed services lacked the administrative machinery to perform that function. It probably would have been far better to have adopted the plan used in World War I and to have established local committees to aid the Army and Navy prime contractors in subcontracting their work.

The under secretary was also faced with an administrative problem because of the

diffusion of responsibility for coordinating material procurement within the Navy Department. In the interval between World War I and Pearl Harbor, the Army-Navy Munitions Board was the industrial mobilization planning agency for the armed services. Within the Navy, the Office of the Chief of Naval Operations supplied the Navy's share of the personnel for this work. In midsummer of 1940 this activity was centered in the material procurement section of that office. It was not until the fall of 1941 that action was begun to provide it with an adequate staff.

The work of this unit was hampered by the fact that its coordinating authority over the material bureaus was not clearly defined, by lack of trained personnel, and by the very size and complexity of the task it faced. Its ambiguous relationships in material control were, in a sense, further complicated by the creation of the Under Secretary's Office in July, 1940.

Statistical functions, particularly in the matter of compiling the Navy's material requirements, had been left entirely in the hands of the bureaus, the data being included in the annual budget estimates. When the Navy was requested, after the creation of the National Defense Advisory Commission, to furnish requirements for the Navy as a whole, this duty was assigned to the material procurement section of the Office of the Chief of Naval Operations in August, 1940.

On December 2, 1940, following a survey which Mr. Forrestal had directed made of the Navy's statistical procedures, this work was transferred to the Secretary's Office and later in that same month was made part of the work of the Office of Budget and Reports. The latter office, however, reported to Secretary Knox directly rather than to the under secretary, who was particularly charged with material procurement. As

indicated by its title, it had other duties, which unfortunately absorbed the time and the major interest of its topside personnel to the detriment of the statistical program.

The Office of Procurement and Material

TO SUMMARIZE the situation as of 1941: The under secretary, charged with coordination of material procurement in the Navy, had become the chief point of contact with the over-all federal agencies in that field, but the implementation of material policies rested with the material division in the Office of Naval Operations. Material requirements were compiled by the Office of Budget and Reports in the Secretary's Office. Only the procurement legal division and the contract distribution division operated directly under the cognizance of the under secretary. This situation had been the subject of concern to both Mr. Forrestal and Mr. Knox during the latter months of 1941. Finally, when the whole national coordinating machinery was overhauled and the War Production Board was created in January, 1942, Mr. Forrestal seized upon the opportunity to reorganize the Navy's procurement machinery. On January 30, 1942, by general order of the President, the Office of Procurement and Material, headed by Vice Admiral Samuel Robinson, was established under the cognizance of the under secretary.

The new office was organized in four branches: planning and statistics (to which the material statistical functions of the Office of Budget and Reports was transferred); procurement (which included the contract distribution division); production; and resources (to which most of the materials branch of the Office of the Chief of Naval Operations was moved). Thus, for the first time the Navy had a centralized office to plan and procure what it needed to fight the war.

Naval Logistics Administration

By ADMIRAL F. J. HORNE, U.S.N.

Vice Chief of Naval Operations

THE position assumed by the logistic factor in the war just ended is unprecedented in the history of naval warfare. Logically it is not a controlling position, for logistics is a means, not an end. The end of warfare is the destruction of the enemy. From that controlling purpose there derive first certain strategic and tactical naval aims from which in turn derive requirements for the means by which they may be accomplished. The provision of these means is the business of logistics. If naval warfare is the application of sea power to achieve a certain aim, the substance of that power is the fruit of logistics effort. Taking its form from the nature of the strategic aim which has been fixed upon, it measures its success by the freedom with which the combat man or unit may concentrate upon the employment of the means. Logistics, in a word, is what the combat man takes for granted. But our strategic concept in World War II has been on such a grand scale that to execute it a vast and complex structure of support has been required.

During the war three principal requirements of our strategy shaped the development of logistics—the range at which our fleet had to be able to operate effectively, the mobility with which it could shift its striking power within a vast area, and the magnitude of the force deployed.

The first step toward meeting the requirements for range and mobility was the concept of the train. Supported by a train, scouting or battle forces could steam more freely and at greater range, but even the most extravagant hopes for such a fleet organization did not envisage a genuine

domination of the home waters of an important naval power.

In point of fact, moreover, the development of the train itself did not keep pace with the strategic concepts premised upon it. Despite repeated requests for more auxiliary vessels during the thirties, for want of funds and authorization the train remained a small and inadequate force.

The second means by which our force could be projected deeper into the Pacific was by the establishment of advance bases in the Pacific capable of supporting a major force without direct reliance upon the continental establishment. In 1939 a Hawaiian detachment was created and in 1940 for the first time the Pacific Fleet as a whole was based on Pearl Harbor. Shortly thereafter we began the development of forward air bases at such points as Midway and Wake. We had thus entered upon the serious implementation of a new strategic concept which was to take us ultimately to Tokyo Bay—and in doing so we had given birth to the modern science of naval logistics.

By carrying forward along both these lines—a great expansion in the size and functions of the train and a truly miraculous technique for the accelerated construction of bases—we have emancipated our sea power from its continental dependency. We have endowed it with range and mobility sufficient to accomplish its strategic aims. For the first time since sailing ships gave way to steam and a warship became a floating collection of technical instruments, sea power is again “at home” in its own element—the sea.

Some indication of the magnitude of the

Navy's logistic task may be gained from the following figures. On December 31, 1944, there were in the naval service, including the Coast Guard and Marine Corps, 3,870,039 officers and men. That is about the number of people there are living in Switzerland today, and thirty-one times as many as were in the Navy six years ago. On the same day there were on the Navy list, excluding district craft and including landing craft of all types, 37,184 ships. That is about twice as many ships, of one hundred gross tons and over, as there were in the combined merchant fleets of every country of the world in 1939, and ninety-five times as many as were in the Navy six years ago.

These few comparative figures may convey some conception of the magnitude of the logistics task. They cannot, however, give much indication of the nature of the logistics process. In determining the essential character of the process not size, but motion, is the decisive factor. Put in another way, logistics is not so much a matter of the accumulation of material as of the correctly timed distribution of properly selected equipment and specially trained men. Timing, motion, selection: these are the three keys to orderly logistic support. A description of what is at best a very complicated process can most easily be given by using a series of similes and examples.

Distribution of the articles of war is based upon a flow of things and men from this country out into the combat areas. The stream of supply is composed of five million separate elements varying in size, character, and purpose from corn flakes to floating drydocks. Some of these elements—heavy machinery, for example—take as long as two years to build; others—like door hinges—can be manufactured in a few days. If well-balanced logistic support is to be provided, all these elements, differing in character and entering the stream of supply at different times, must flow to their common,

final destination, the battle zone, together. If you think of this pipe line of supply as extending not in space but in time, a cross-section of it at its origin would reveal a large electric generator in the first stages of construction; a cross-section at the mid-point would reveal the generator half finished, a group of men just entering a training school, bolts of cloth going to the dye vats; and a cross-section of the pipe line at its end would reveal equipment of every kind completely finished and men of every rating and specialty fully trained and fully equipped.

Now the great task of modern logistics, which involves the factors of timing, motion, and selection of which I have already spoken, is to plan and control the constant movement of the articles of war so that well-balanced material support will reach certain designated positions at certain fixed times. The firmness of control over the stream of supply depends directly upon three quite different things: first, ability to reduce the mass of material to manageable quantities; second, ability to obtain adequate information about logistic and strategic requirements; and, third, ability to develop administrative machinery that can draw up sound plans on the basis of the information received and can translate those plans into action.

When the war began the Navy was not, at first, perplexed so much by how to handle the material as by how to get it. But by the end of 1942 the industrial plant had been geared for full production. Finished goods were appearing in quantity, but the demands for these goods increased as the number of ships and bases increased. To meet the enormous expansion of demand, we therefore had to seek out a method of handling material not by individual item but in quantity.

By the end of 1942 we had developed such a method in the form of a set of standardized units which were clusters of a variety of individual items. These units

were designed, with variations for climate, to perform a uniform set of purposes no matter where they were placed geographically. They are called "functional components." There are now about two hundred of them to discharge the functions of harbor defense, fueling, ship repair, communications, base administration, medical care, and so forth. From this conception of standardized units came the *Functional Component Catalog*, one of the great instruments of naval administration. This catalog, like that of a mail-order house, contains a list of basic components which can be put together in larger units to fill all the needs of a large base. Thus, a commanding officer can order what he needs by asking for a relatively few large functional units instead of sending in a detailed requisition list of individual items. And by the same token we can plan, assemble, ship, knock down, and reship these components by single units instead of by individual article. This concept of the functional component has enabled us to handle the huge quantities involved. It has simplified administrative and planning procedure, saved shipping space, reduced manpower requirements, increased the flexibility of logistics support, and cut down wastages of time, energy, and money.

The second factor upon which the firmness of our control over the stream of supply depends is the acquisition of information. When the war began and we were faced with providing logistic support of the fleets, there was not much useful information upon which we could base prospective demands and probable production. We could not, for example, obtain evidence in January, 1942, that would permit us to predict within reasonable limits the amount of equipment that could be manufactured or the number of men that could be trained by December, 1942. During those first months strategic plans were fluid as we moved to meet the thrusts of the enemy, who possessed the strategic offen-

sive; as we strove to stabilize our forward positions and to build until we were able to wrest the offensive from the enemy. Finally, as we moved forward and established bases, these bases were at first in active combat zones, and it was practically impossible to get accurate information as to their logistic requirements until the area had been captured and a survey for development had been made. Unable to secure adequate information from these vital sources, we could not accurately plan our logistic support; therefore, during this period we improvised.

By V-E Day, the situation had been altered. Production and manpower were, within reasonable limits, predictable. Strategic plans, with our shift to the offensive, could be prepared quite far in advance of the actual operations. And we had developed systems for obtaining information on inventories, available shipping, warehouse capacities, and base requirements. We could, for example, tell for any given week the amount of material arriving in any port that was destined for any particular base. We could tell what had been shipped out of that port to that base in the course of the week, and we could tell what remained at the port on hand to be shipped to the base. In addition, we were perfecting a method that enabled us to know from week to week what the predicted requirements of any base were. In possession of these three different kinds of information—on production schedules, strategic requirements, and shipping and base conditions—we could arrive at useful plans that enabled us to transact our business with economy.

The third factor upon which the firmness of our control over the stream of supply depends is the efficiency of our administrative machinery which devises logistics plans and translates them into action. The machinery that existed in 1941 was adequate for peacetime routines. It was not, however, equipped to deal with the extraordinary logistics problems imposed on us dur-

ing this war. I do not, myself, believe it would have been possible to design in the vacuum of peace an organization that could have adjusted swiftly and without perceptible effort to the abrupt shock of the kind of war we began to fight on December 7, 1941. Throughout the ensuing years we evolved the machinery of logistics administration which is adequate to discharge its responsibilities. Under my control the division of logistics plans, working closely at all times with the strategic planners in the headquarters of the commander in chief, United States Fleet, developed the logistics plans to support the strategic plans. These plans, which incorporated plans sent in by the area commanders, were then broken down and distributed under the supervision of the assistant chief of naval operations for matériel among what we call the "project divisions" of naval operations. Their names suggest the functions they perform—base maintenance, electronics, fleet maintenance, naval transportation service. These divisions deal directly with the bureaus which actually fulfill the material requirements of the logistics plans.

Since all our effort during the last months of the war was concentrated in the Pacific, it may be interesting to describe how the system of administrative control we have built up worked to supply our forces in that area. Requirements for specific operations or for a series of specific operations were determined by the logistics section of the commander in chief, Pacific Ocean Area. These requirements, in the form of a logistics plan, were sent to Washington, to the logistics planning division of naval operations. Here they were reviewed to make certain all requirements could be met. Then they were broken down and distributed among the project divisions I mentioned before. Through the action of these divisions the bureaus were directed to release from their stocks and training establishments the necessary material and personnel to fulfill the requirements.

For the most part, the material elements of support were taken from the inland supply depots and shipped to tidewater depots where they were held until they were transshipped to advanced areas. On the west coast this transshipment was the responsibility of the commander of the Western Sea Frontier, who, within the limits of vessels allocated to him from Washington, arranged shipping schedules in accordance with cargo priorities. Some of the material went to staging areas, some to advanced bases, and the remainder directly to the fleets.

Support for these great fleets in the Pacific was drawn primarily from the system of advance bases that absorbed so much of the material flowing out from this country. Through these bases passed an additional and much larger volume of material for use by fleet units. To the fighting forces they provided fuel, repairs, and ammunition for ships and planes, food and recreation for the men, and hospitalization for the critically wounded. If these things are the sinews of war, the system of advance bases we have built up is the bone structure.

The foundation of the system, as previously explained, is the functional component; the collection of men and material selected and grouped to perform one of the specific tasks of a naval advance base. What we call the "lead time" for the procurement and fabrication of this material and the training of personnel is, at the outside, about two years. Our advance planning therefore had to cover that period and to include in the beginning tentative assembly dates for components spaced throughout the period.

When area commanders, acting on directives of the Joint Chiefs of Staff or of the commander in chief, United States Fleet, decided on the characteristics of the naval and air bases which it was necessary to establish, they requested from us the necessary components. Firm assembly dates and tentative shipping dates were then set up

by my office. Here I should point out that before a final shipping date arrived there were usually many dislocations in the schedule produced by changes of strategy, the effect of enemy action, or changes in the character of requirements asked for.

Now, the nature of the industrial process imposes on naval operations a relatively long and fixed schedule for supply, while the character of war imposes on area commanders a short and fluctuating timetable in which to state their requirements. It is apparent, therefore, that procurement cannot wait on firm plans of the area commander. Without a carefully planned long-range program, providing not only adequate reservoirs of supply but flexible pipe lines of distribution, it would have been impossible for us to meet the requirements coming in from the combat area.

In planning the program, allowance was made for estimated "roll ups"—that is, for the transportation of material from one base in an area that had become inactive to a new base being constructed. The effects of the roll-up process, however, were at first relatively small because installations were still needed at the point of original location and because the tempo of war did not permit the expenditure of time and manpower to dismantle existing installations.

It would be wrong to leave the impres-

sion that the Navy is now able to control the stream of supply as carefully and completely as the operating department of a railroad controls the flow of railway traffic. War is the province of the uncertain; it cannot be reduced to the neat dimensions of a chess game in which the effects of a given move can be calculated with considerable precision. Such things as the shortage of critical materials or a sudden shift in our operational fortunes may at any moment arise to dislocate our arrangements. All we can do is to reduce the effects of uncertainties as much as possible. We have developed systems to provide us with as much information on current and future conditions as possible and on the basis of this information we develop plans which give us programs upon which we can reach decisions and take action. In such fashion we have sought to reduce the incalculable elements in warfare. We have also tried to set up administrative machinery that is flexible enough to react rapidly to changing conditions. The waste in logistic support comes ordinarily in the time lag which falls between reduced operational activity in an area and a reduction in the amount of supplies sent to the area. Flexibility, permitting prompt response, is a prerequisite in our thought, in our action, and in our instruments of control.

Procurement and Production

By ADMIRAL S. M. ROBINSON, U.S.N.

Former Chief of Procurement and Material

THE Office of Procurement and Material,¹ in spite of the use of the word "procurement" in the name of the organization, was not a procurement agency in the sense that the Bureau of Supplies and Accounts, for example, is a procurement agency. The Office of Procurement and Material did not itself buy anything.

The Navy's traditional bureau system is a vertical organization. Each bureau is, in a limited sense, a self-contained procurement agency within its own technical field. The grand divisions of the Navy Department follow the vertical lines of the grand categories of munitions which the Navy must procure—ships, aircraft, ordnance, general supplies, bases, etc. Therefore, at the operating level the horizontal functions of planning, buying, and supervising production are overridden and split up by this dominant vertical organization.

The actual contracting is done by the Bureau of Supplies and Accounts for all standard stock items and generally for items common to two or more bureaus. The Bureau of Ships contracts for naval vessels and technical equipment for ships. The Bureau of Aeronautics makes its own contracts for airframes, engines, propellers, and special equipment. The Bureau of Ordnance is the procuring agency for guns, ammunition and armor, and fire control and other special ordnance equipment. The Bureau of

Yards and Docks has cognizance over procurement of construction and certain advance base equipment.

Thus, in the Navy Department there are five major agencies buying naval material and supplies. They deal in different types of material but have the same business and contracting problems.

Since the dominant organization at the operating level is a vertical one, it became necessary at the policy-making level to reassert the importance of the horizontal functions and to see that the various subdivisions which were concerned with procurement and production and which were scattered throughout the several bureaus followed a consistent policy and program.

In the material procurement field this was the task of the Office of Procurement and Material, which kept procurement policies, forms of contracts, and procurement procedures of the different Navy procurement agencies in line with each other and with the other government procurement agencies. Originally responsible to Mr. Forrestal while he was under secretary, the Office of Procurement and Material after February 19, 1945, was under the general supervision of the Assistant Secretary's Office.

Thus, following the creation of the Office of Procurement and Material, the Navy had a procurement organization which was decentralized at the operating level but which was centralized at the policy-making and coordinating level. Without decentralization of operations the Navy could not carry out its huge procurement program, which involved the placing of more than \$110,000,000,000 of commitments from July 1, 1940, to June 30, 1945. Without cen-

¹The Office of Procurement and Material, established by General Order No. 166, dated January 30, 1942, was abolished by General Order No. 221, dated August 20, 1945, which transferred the authority formerly exercised by this office to the assistant secretary of the Navy. By directive of the same date, the assistant secretary created a materials division in his office to which were transferred intact the various divisions of the former Office of Procurement and Material.

tralization at the policy-making level the Navy could not have kept its own house in order or have keyed its program to the overall plan of industrial mobilization.

The functions performed by the Office of Procurement and Material were an outgrowth of the wartime needs of the Navy. The very size of the Navy's procurement program during the war and the necessity for speed required closer coordination and a new type of continuous control. In addition, the scarcity of raw materials and manufacturing facilities made coordination necessary upon a nation-wide basis. In these fields the Navy was only one of a number of claimant agencies—the Army, civilian agencies, and our allies being others. A single unified agency was necessary to present the Navy's claims and to act as a single source of contact. Thus, the Office of Procurement and Material served not only to coordinate the material procurement program within the Navy but also to represent the Navy before the War Production Board.

Statistical Controls

WHEN the national emergency developed it found the Navy Department badly deficient as far as centralized statistical information and machinery for developing such information were concerned. Figures existed, but they were scattered throughout the several bureaus and offices of the Navy Department. The necessity for a central statistical agency in the Navy Department was soon realized, and a beginning was made as early as 1940, over a year before the Office of Procurement and Material itself was formed. The Office of Procurement and Material later took over and developed the statistical function through its planning and statistics branch.

The functions of this branch covered a broad field. Its activities might be best described as resembling those of the comptroller's office of a business enterprise. Its main functions fell in two categories: (1) reporting the over-all status of the program

and (2) reviewing and analyzing the Navy's program and making appropriate studies of program progress.

In serving as the central reporting agency for the procurement activities of the Navy, the branch published reports covering the status of the program with respect to past production and future requirements, production schedules, and inventories. These reports were widely used by the administrative executives of the Navy Department in their continuing reviews of the major schedules of over-all production and particular segments of the program. They also served as the source for the War Production Board's progress reports and as source material for any other agencies that needed the type of information presented. These reports of the Navy program presented accepted schedules of the requirements which determined the impact of the Navy's program on materials markets.

This branch also assisted and advised the bureaus on methods and procedures for improved record-keeping in connection with such problems as inventory control, scheduling of component and end-product production, computation of material requirements, and scheduling of personnel requirements. Members of the staff were frequently called upon to assist or direct the establishing of new sections or divisions in bureaus dealing with statistical problems related to procurement scheduling for material and personnel and also to provide information and guidance to special boards, such as the Procurement Review Board, the Manpower Survey Board, the Joint Production Survey Committee, and, more recently, the Requirements Review Board.

The branch provided a single point of contact for information on all phases of the Navy program to the executives of the Navy Department and many outside agencies, such as the War Production Board, the Joint Production Survey Committee, the Munitions Assignments Board, the War Department, and the Office of Price Administration.

Thus, the planning and statistics branch not only provided a method of internal control but a means by which the Navy's program could be presented to the War Production Board. The most recent development in the field of statistical controls has been the creation of the Requirements Review Board in the Assistant Secretary's Office, to which many of the functions and the staff of the planning and statistics branch were transferred. Since the Office of Procurement and Material also functioned under the supervision of the assistant secretary, working relationships continued to be close.

Production Controls

THE necessity for a central point of contact between the Navy and outside material agencies—in particular, the War Production Board—dictated in large measure the formation of the Office of Procurement and Material at the time it was established in January, 1942. To some extent all personnel assisted in maintaining this liaison, but the production branch operated in especially close contact with the War Production Board.

When the Office of Procurement and Material was formed it took over and enlarged the Navy side of the Army-Navy Munitions Board. This group, which later comprised part of the production branch, had offices with the corresponding War Production Board industry divisions. In fact, the organization of the divisions of the production branch of the Office of Procurement and Material was set up to parallel as closely as possible that of the War Production Board.

Through these men the Navy has been represented on twenty or more requirements committees of the industry divisions of the War Production Board. These committees operate as subcommittees of the program adjustment committee, which in turn is a subcommittee of the War Production Board requirements committee. One of my staff represented the Navy on the

requirements committee and on the program adjustment committee.

As special problems arose, numerous special committees were formed to plan necessary action. When specialized knowledge of bureau problems or requirements was necessary, bureau representatives accompanied Office of Procurement and Material representatives and submitted their information directly to War Production Board committees. In many instances, this was encouraged as the most efficient method. The Office of Procurement and Material, however, was kept informed of the progress of negotiations and thus was in a position to coordinate all Navy action.

The other phase of the work of the production branch involved coordinating and expediting the various Navy production programs wherever trouble spots occurred. These difficulties sometimes involved critical shortages of a particular material or group of components or production troubles in specific plants. A few specific examples might serve to illustrate this phase of our activity.

To handle the accelerated landing craft program it was necessary to place 43,000 tons of additional landing craft plate on mill rolling schedules in the month of December, 1943, and 57,000 tons in the month of January, 1944, when these schedules were already loaded with military requirements. The production branch worked this problem out successfully with the War Production Board, the Army, the Maritime Commission, and the principal claimant agencies in such a way as to avoid seriously affecting the programs of the other agencies.

Another good example concerned roller bearings. The increasing rate of production stoppages due to ball and roller bearing shortages at one time seriously threatened the landing craft and nearly all other Navy programs. Production branch personnel were available to join with the Army and the War Production Board in finding solutions for this serious problem. A 50 per cent reduction in certain spare bearings was put

into effect in cooperation with the War Production Board and the Army. The machine tool section concluded an inventory of ball bearing stocks at naval shore establishments and of many private concerns as a result of which substantial redistribution was possible to points of urgent immediate need.

The antifriction bearing situation continued to be critical for a long time. If no central Navy agency such as the Office of Procurement and Material had existed, these steps taken toward a solution of the problem would have been far more difficult and would have required a considerably greater period of time.

The Office of Procurement and Material, through its clearance division, also ascertained the effect on the Navy's production and procurement program of orders and regulations that were proposed by the War Production Board. For example, there was a proposed amendment to Order M-1-I involving the conservation and distribution of aluminum which would have permitted the use of aluminum, in place of copper, in a number of items. While aluminum had sufficiently increased in supply to permit such uses, the Office of Procurement and Material ascertained, upon clearing the proposed amendment with various bureaus, that such uses would require permanent mold castings and that the entire aircraft program would be adversely affected. As a result, the proposed amendment was changed by the War Production Board and this interference with the aircraft program eliminated.

Procurement Controls

THE third type of coordination necessary in the Navy's procurement and production program was the supervising of contracting. The use of the negotiated contract made advisable a central office within the department to standardize policy, to eliminate overlapping procurement, and to exercise the contract clearance functions dele-

gated to the Navy by the War Production Board.

Contracts were originally cleared in the Office of Production Management before the creation of the War Production Board. At first, this was of necessity a summary clearance only. As the work became better organized, applications for clearance required greater detail, and considerable delay was involved in obtaining approval. When the War Production Board was formed in January, 1942, and the Office of Procurement and Material established in the Navy Department a few weeks later, it became possible to delegate the clearance function. Common policies were agreed on by all the agencies represented on the Procurement Policy Board and were carried out in the Navy through the procurement branch in the Office of Procurement and Material. Handling this clearance on the premises made it possible to do a more thorough job in far less time. Although the personnel involved in the operation was small, many savings were made as a result of suggestions from the clearing office. The major benefits of contract clearance, however, may well have been preventive. Procurement officers and contractors knew their deals must meet strict standards to obtain clearance. This knowledge had a tendency to bring about uniformity and to tighten up the business aspects of procurements before they were submitted for clearance.

In addition to the clearance mechanism, the procurement branch of the Office of Procurement and Material operated through a staff of negotiators distributed among the Bureaus of Aeronautics, Ordnance, and Ships as consultants to the contracting officers. Most of the men in this work had from fifteen to twenty years of business experience in an executive capacity in manufacturing, merchandising, or finance. Their aim was to obtain for the Navy a good business deal which at the same time was fair to the contractor.

The price analysis division of the procurement branch and the Price Adjustment Board made available to the negotiators data on costs, prices, and profits; all worked closely with similar units in the War Department. By price comparisons and joint action, prices which would have allowed the manufacturer excessive profits were reduced. As much pressure as possible was exerted to lower costs and prices.

In the field, the procurement branch maintained another group with industrial, engineering, and executive experience working with the Smaller War Plants Corporation representatives in their fifty regional offices located in the principal industrial centers throughout the country. A procurement development program sponsored by this industry cooperation division, as it was called, served to advertise Navy procurement possibilities nationally to small firms and to locate for the Navy urgently needed facilities and sources of supply in the several local areas.

In the field of insurance, the procurement branch, by rationalizing the Navy's insurance program, was responsible for substantial dollar savings. In addition, central handling of insurance in the Navy undoubtedly reduced the number of insurance specialists needed by the department as a whole and resulted in a uniform insurance policy for all bureaus.

Industrial Readjustment

IN DEMOBILIZATION as in war production Navy representatives as distinguished from bureau representatives were essential. A new branch of the office known as the industrial readjustment branch was formed late in 1943, to act for the Navy Department on industrial demobilization problems such as contract termination and property disposal. The branch was a small policy-making group organized to deal with the Office of War Mobilization and Reconversion, the Office of Contract Settlement, and the Surplus Property Board. Actual execu-

tion of the program will, of course, be a matter for the contracting bureaus and the Bureau of Supplies and Accounts. In general, the Navy has centralized its procurement—and thus its contract termination and settlement—in the various bureaus in Washington rather than in the field. A single material inspection service, a single cost inspection service, and a single material redistribution and disposal administration for all the bureaus have assisted materially in expediting this work.

Close integration of policy between the Army and Navy in this field was early recognized as essential. I believe we have been successful in achieving complete coordination on a policy level, but there were certain fundamental differences in the administrative organization of the two services which make joint or combined operations in the field difficult.

Identical policies for the settlement of all terminated war contracts have been agreed upon by the War and Navy departments. The industrial readjustment branch, in cooperation with the army readjustment division, prepared the *Joint Termination Regulations* and the *Joint Termination Accounting Manual*. Appropriate manuals were also prepared for the Navy's material inspection service and the cost inspection service.

As far as possible, the Army and the Navy have recognized the value of collaboration in the operating field. In twenty-one of the major war production centers joint Army-Navy termination coordination committees have been established to serve as clearing houses for information and training. It has further been agreed through the "company-wide settlement program" that in the case of selected contractors a representative of the service having predominant interest shall have authority to settle all the claims of the company, whether arising under an Army or a Navy contract. This seems to me to be a notable step in cooperation between the two services.

In April, 1945, as the work of disposing of surplus property rapidly grew in magnitude, it was considered advisable to separate the property disposal function from the industrial readjustment branch. The property disposition branch, therefore, was established and made responsible for coordinating Navy policy internally and for contacts with the Surplus Property Board and the several civilian property disposal agencies. Concurrently with the formation of the property disposition branch the field organization known as the Navy material redistribution and disposal agency was transferred to the Office of Procurement and Material. This latter office, together with the inspection administration, is an actual operating agency as distinguished from the staff branches described above.

Conclusion

WHILE the victory over Japan has been too recent to make possible a statement of its full effects on the Navy's pro-

curement program, obviously the major effort in the department will be shifted from procurement of material to arranging for its disposal. We do not underestimate the difficulties of demobilization. Even before the victory considerable thought had been given to this problem and to the permanent postwar organization.

Even in peacetime, however, the Navy should have a central office to study, direct, and coordinate procurement policies for the department. Continuity of policy, centralized statistics, and trained personnel will be as important in peace as they were in war. Most of the personnel whom we recruited during the war period will return to civil life, but their places should be taken by regulars, and preferably by engineering officers. If a skeleton organization is maintained, the opportunity will be offered to achieve not only a continuity of policy but also to train some of the younger officers of the regular Navy in the problems of industrial mobilization.

Statistical Controls

By DONALD R. BELCHER

Treasurer, American Telephone and Telegraph Company

TO a newcomer in the Navy Department in January, 1942, and particularly to a civilian devoid of naval background, the scene was one of frantic haste and bewildering confusion. The administrative machinery of a peacetime Navy, although greatly augmented by officer and civilian personnel since the middle of 1940, was staggering under burdens of vastly greater magnitude and complexity than it was ever designed to carry.

Congress and the President had already assigned to the Navy Department a production and procurement program aggregating some twenty-five billions of dollars, and that program was destined to double and redouble within the next two years. "On hand" quantities, in terms of finished ships and planes and guns, were still pitifully small. But quantities "on order" for these and countless other items, together with commitments for industrial facilities which in many instances were required for their manufacture, were of such magnificent proportions that in dollar value nearly three-fourths of the then-authorized program had already been placed under contract. That accomplishment as of the end of the eighth week after Pearl Harbor was one of which the Navy Department had every right to be proud, whatever its administrative weaknesses may have been.

In view of the size of that program and the speed with which detailed quantity and time requirements for hundreds of thousands of items were estimated and put under contract, lack of balance between and within the several bureaus was inevitable. The critical weakness in Navy organization lay in the fact that administrative machinery by which the program might gradually

be brought into balance was almost wholly nonexistent. In recognition of that weakness, the Secretary of the Navy, by direction of the President, issued General Order No. 166 under date of January 30, 1942, providing for the establishment of the Office of Procurement and Material and directing that office to "coordinate all the material procurement activities of the Navy Department, supervise programs for the procurement of ships and materials of every character as approved by the Secretary of the Navy, and perform such other duties as the Secretary of the Navy may direct."

Vice Admiral S. M. Robinson was concurrently designated chief of the Office of Procurement and Material, and three branches were created: planning and statistics, procurement, and production. I was asked to organize and direct the planning and statistics branch and continued in that post until November, 1943. The observations which follow are, of course, entirely personal and confined largely to the work of the branch for which I was responsible.

At the very beginning of my work I found myself faced with two problems. One within the Navy itself was my particular concern, but another and larger problem dealt with the proper national production controls and the statistical data necessary to administer them. This problem lay clearly within the scope of the War Production Board's authority, although neither the problem itself nor the path of its solution was clearly recognized at that time.

Coordinating the Navy's Statistics

SO FAR as the Navy was concerned it was obvious that a body of statistical information—far more comprehensive and far

more reliable than was then available—must speedily be provided as a basis for administrative decision and executive action within the Navy Department. Furthermore, since the President by executive order had designated the War Production Board as the over-all agency for control of the nation's productive capacity, it was equally obvious that reliable data as to a balanced Navy program, and the raw material requirements which it represented, must be made available to the War Production Board in order that the Navy might receive its fair share relative to other claimants.

I found no dearth of statistical data, either within the Navy Department or passing from the department to WPB. Each of the major bureaus had a statistical section which prepared reports on end-products and component requirements, contract awards, expected and actual deliveries, and the like. But these reports were generally too old to be useful when released and were marked by glaring inaccuracies arising out of faulty statistical techniques. Information on many critical items whose procurement status if revealed would lead to embarrassing questions was conspicuous by its absence. Under the principle of "incentive scheduling," expected delivery dates were often so grossly optimistic as to be wholly misleading when translated into the raw material requirements of a particular month or quarter. In fact, raw material demands by the Navy Department in the early months of 1942—like those, according to my observation, of all the other claimant agencies—could well be characterized as being "too much and too soon."

An unfortunate but understandable competitive situation had arisen in which each of the agencies competing for raw materials, expecting its requests to be reduced, asked for more than it actually expected to receive. No machinery existed at that time by means of which the representatives of the various claimant agencies could be brought to-

gether around a table to examine each other's requests and balance the total requests against the total supply available. Each federal agency and, for that matter, each bureau within the Navy Department, conscious of the vital urgency of its own program, strove to protect itself by padding its estimates. The blame for this situation lay in no one agency but in the lack of proper War Production Board machinery. It was not until the second quarter of 1943 when the controlled materials plan was put into effect that this problem was really solved.

The planning and statistics branch had been designated by the Secretary as the central statistical agency of the Navy Department and assigned sole authority to provide the War Production Board and other agencies all statistics relating to the Navy program. Accordingly, two fundamental questions as to administrative policy were settled as follows: (1) The job of organizing the planning and statistics branch for future effectiveness should proceed without interrupting the flow of important data to executives of the department and to the War Production Board, however incomplete these data might be initially; (2) The planning and statistics branch, in exercising its authority for centralization, should not supersede or absorb the statistical sections of the bureaus but should undertake to improve the caliber and scope of their output through consultation and the issuance of mandatory specifications.

Prompt decision was also necessary as to functional organization within the branch, and four principal divisions were established originally. (1) The planning division was to maintain liaison with war planning agencies of the chief and vice chief of naval operations and the Joint Chiefs of Staff and to review changes in basic war plans as they affected production programs. (2) The scheduling and reporting division was to review, analyze, and report progress of Navy procurement programs for end-products, components, and personnel in relation

to strategic requirements and balance, to promote adoption of sound scheduling and reporting procedures throughout the Navy, and to initiate recommendations for executive action where advisable. (3) The raw materials division was to supervise, analyze, and consolidate translation by bureaus of end-product and component schedules into quantity and time schedules of raw material requirements with proper allowance for time-lag and wastage factors, and to prepare summary data on such requirements for the War Production Board and other agencies. (4) The records control division was to consult with and advise all bureaus and offices on record-keeping procedures and use of tabulating-machine equipment for statistical computation and analysis, and to maintain and operate such centralized facilities as might be required.

Once the broad functional organization was determined, the next problem was to staff it with men of maturity, technical competence, and proved effectiveness. To head the planning division, a captain of the regular Navy with extensive experience both in fleet operations and in munitions production was made available. For other supervisory positions we were able to recruit, through commissioning or other arrangements, qualified men from widely varied fields of business experience, such as statistical and financial analysis, accounting, production scheduling and expediting, and industrial engineering. In this organization, as elsewhere in the war effort, the acquisition of such an array of talent was made possible only by the patriotic zeal of these men, who were willing, at great personal sacrifice, to devote their time and energies to the more effective prosecution of the war.

With few exceptions these men were strangers to each other and to the problems of the Navy. They were beset by organized resistance on the part of some bureaus and disorganized "needling" on the part of

many War Production Board representatives.

Indeed, the variety of different materials upon which the War Production Board requirements committees—and earlier the Office of Production Management—requested data, and the detail in which their requests were stated, defeated their purpose. Consequently, one of my first acts was to urge reduction in the number of materials upon which we were required to supply information and to insist that War Production Board representatives confine their requests to the planning and statistics branch.

In view of these facts, the speed with which the organization was able to integrate its activities into effective teamwork was little short of amazing. In a matter of weeks the branch had under development a statistical system that proved to be the key not only to accurate reporting but to the whole problem of program control within the Navy.

This system was based on and built around a document known as the *Monthly Status Report*, the first issue of which was released on August 12, 1942. For some eighteen hundred (later gradually increased to seven thousand) end-items and important components, it showed data as to unit cost, cumulative quantities authorized, cumulative acceptances to date, stocks on hand, and requirements and anticipated deliveries scheduled by months and quarters to the end of the program. Here for the first time was spelled out by bureaus, in figures subject to analysis and proper statistical control, a substantial portion of the entire production and procurement program.

The obligation to report in detail, thereby subjecting their data to criticism by other bureaus and by the War Production Board, constituted in itself a powerful incentive for the bureaus to put their statistical houses in order. Simultaneously and as an integral part of the same system, the planning and statistics branch began pub-

lication of a *Quarterly-Monthly Progress Report* and innumerable special reports, all designed to provide the highest policy-forming officials of the Navy Department with an objective review of current achievement and with recommendations for remedial action where indicated. Chief credit for the initiation and administration of this system, which in the course of time resulted in vastly improved program control in the Navy and hence greater quantities of fighting ships and planes and related munitions, should go to Mr. Murray D. Safanie, who was then director of the reporting and scheduling division under my supervision and who later succeeded me as chief of the branch.

In the matter of determining the Navy's needs month by month for steel, copper, aluminum, rubber, lumber, and a host of other raw materials, the problem was only half-solved by the system described. And so, in the early months of 1942, the planning and statistics branch was also occupied in determining means by which delivery schedules for end-products could be translated into raw material requirements correspondingly scheduled by future time intervals, after proper adjustment for wastage factors and for accurately determined time-lag between receipt of basic material and completion of the end-product.

The bill-of-material approach by means of elaborate punch-card equipment was already in operation in the War Department, although at that stage the results were far less worthy of credence than its enthusiastic proponents claimed. The use of mechanical equipment even on a large scale in itself guarantees nothing. Machinery is merely a means to an end. The value of the data which come out of a punch-card machine depends upon the data put into it. Some were prone to forget this fact.

The Navy's problem in installing the bill-of-material approach was more complicated than the Army's because of the

more complicated character of its procurement. It was vastly more difficult, for example, to break down the materials going into a battleship than those going into a tank or machine gun. Indeed, most naval officers had long declared it wholly impossible and invariably cited, as proof, the "five tons of blue prints required for the construction of a battleship." The fact is, however, that the Navy had many huge programs of repetitive items and for these, after the planning and statistics branch had developed appropriate modifications and had forced the establishing of competent organizations in the bureaus, the bill-of-material approach was adopted and functioned effectively thereafter.

In the more complex field of naval ship-building the problem was solved by the breakdown of a ship into hull and principal components, the use of "prototype" bills of material and building periods, and agreement with the War Production Board to confine requests in so far as possible to a list of fourteen major items of material. It is of interest that, by directive from the planning and statistics branch to the bureaus, the *Monthly Status Report* was prescribed on July 11 and the bill-of-material program on July 15, both within six months after the Office of Procurement and Material was inaugurated.

The Controlled Materials Plan

LACK of central statistical machinery, as I have pointed out, was one of the major problems which faced the Navy when I joined its staff in January, 1942. Another and equally important defect, however, lay in the absence of a workable over-all scheme for the control of raw materials under the War Production Board. For some months after our declaration of war, the War Production Board continued to rely on the pre-Pearl Harbor system of priority ratings supplemented by conservation and limitation orders. When this system was threatened

with collapse through overloading of top priority bands, the production requirements plan was superimposed and made effective as of July 1, 1942. But the basic inadequacy and the impossibility of administration of the latter plan were speedily recognized. In August the chairman of the War Production Board stated that "we have reached the phase in which a definite and closer control of material flow on a schedule basis must be established." Acting under his authority, a working committee comprising designated representatives of the War Production Board and the principal claimant agencies developed the controlled materials plan, which was released for publication on November 2, 1942. Made effective for industrial use in the second quarter of 1943, the plan specified that all claimant agencies must file by January 1, 1943, detailed requirements of steel, copper, and aluminum over a period of eighteen months, that second-quarter allocations by the War Production Board to the agencies would be made on January 31, and allotments by the agencies to prime consumers on February 15. This was a "tight" schedule. Only by virtue of recent accomplishments in the *Monthly Status Report* and the bill-of-material program was the Navy in a position to accept it and to assure the War Production Board that the Navy's obligations under the plan would be fulfilled in every detail.

Because I had served as Navy representative on the original committee, the entire staff of the planning and statistics branch had already contributed with great effectiveness to the development of the controlled materials plan, particularly the men who were specialists in records control and those who had had scheduling experience in the heavy industries. With the adoption of the plan, I was named Navy material control officer and assigned responsibility for its operation throughout the Navy. That meant not only the job of setting up ma-

chinery and procedures of operation but also authority to say what quantity of materials would be demanded by the Navy and, after allocation by the War Production Board, how the quantities received would be divided among the several bureaus requiring the materials.

It was fully recognized, of course, that the assignment of operating functions to a statistical agency was in violation of generally accepted administrative practice. Nevertheless, I believe that as a temporary measure the action was fully justified. In the first place, the planning and statistics branch, as then manned by specialists from varied fields of experience, proved ideally suited to the operations of the controlled materials plan. Each division and practically every group had its vital role to play. They were able to play it effectively and with great expedition because the jobs were essentially the same that they had been carrying on for months. In the second place, progress toward our original objective of program control was enormously expedited by virtue of that authority. No longer could criticisms as to unbalanced schedules of end-products and components, overoptimistic delivery schedules, excessive inventories, unsupported material estimates, and faulty records be brushed aside by bureau officers. For the operating authority conferred was, in effect, a budgetary authority—not in terms of dollars, which were unlimited, but in terms of tons of carbon and alloy steel and pounds of copper and aluminum.

The bureaus of the Navy, the Coast Guard, and the Marine Corps each appointed a high ranking officer as bureau material control officer with authority to supervise controlled materials plan operations in his bureau. These officers, together with top supervisors of the planning and statistics branch, constituted for the Navy an advisory board which, meeting daily for some weeks and at least once or twice a week thereafter, played an outstanding part

in the introduction and successful operation of the plan within the Navy Department.

Concluding Remarks

THE foregoing outline of the system of statistical reporting and analysis and of the operations of the controlled materials plan will serve to illustrate the chief mechanisms employed in the effort to secure coordination and balance in the production and procurement programs of the Navy Department. Gradually the belligerency of the bureaus diminished, and by the spring of 1943 unmistakable evidence of appreciation and understanding began to appear. At the request of the vice chief of naval operations, the planning and statistics branch assigned three of its scheduling experts for temporary duty in the base maintenance division, where they were given the job of developing a system for scheduling functional components and material, personnel, and shipping requirements for advance bases. At the request of the Bureau of Naval Personnel, the branch assigned another of its scheduling experts to establish a unit responsible for scheduling the procurement and training of personnel for all Navy functions, with due allowance for varied types and varied duration of training. In July of that year the Secretary established a Navy Procurement Review Board and appointed the director of the scheduling and reporting division as its executive secretary. Later, when the Joint Chiefs of Staff set up a joint production survey committee, the director was designated personal representative of the Secretary to participate in the work of that committee.

Similarly, the professional services of the records control division were more and more sought after. Organized as a compact unit which performed the double function of laying out plans and procedures and then indoctrinating the bureau staff who were to handle them, the division in response to specific requests made contributions of outstanding importance to the several bureaus as well as to the committee on naval catalogue of materials and the Navy Manpower Survey Board. In fact, the director of this division was responsible for a movement which spread throughout the Navy for the rigorous control of the mechanics of statistical reporting, tabulation, and analysis.

I left the Navy Department on November 1, 1943. Subsequently there have been successive realignments of functions and personnel, and even the label "planning and statistics" has finally disappeared. The important fact is that the functions themselves have not disappeared. On the contrary, they are being administered by substantially the same personnel as before, with few exceptions, and under conditions of vastly increased prestige and authority. Program control has come into its own. I am confident that it will have a permanent and vital place in the postwar organization of the Navy Department.

It remains only to point out that such contributions as we were able to make to the more vigorous prosecution of the war were due primarily to the vision and unfailing support of the under secretary and later Secretary of the Navy, James Forrestal, and the able and dynamic direction of the chief of procurement and material, Vice Admiral Robinson, under whom it was a privilege to serve.

Shipbuilding

By VICE ADMIRAL E. L. COCHRANE, U.S.N.

Chief of the Bureau of Ships

FIVE years have passed since the events in Europe ended the argument in this country over the need for strong ocean protection. In these five years over twenty billion dollars have been spent for more than a hundred thousand ships and craft which displace nearly twelve million tons and constitute an increase of more than five times the Navy's aggregate displacement in June, 1940. More than three million tons of this increase represent combat vessels—battleships, cruisers, destroyers, submarines, and destroyer escorts. Nearly nine million tons represent supporting craft for supplying our sea and land forces, for patrolling our own and hostile waters, for laying and sweeping up mines, or for landing infantry and mechanized equipment on enemy shores.

As thousands of new ships were added to the fleet the maintenance and repair, salvage, conversion, and alteration load grew until in the summer of 1945 it became the most important problem. In the last fiscal year the number of vessels repaired, altered, converted, or fitted out in continental yards and bases and at Pearl Harbor was sixty-four times the number in the year ending July, 1941. Still greater increases occurred in the workloads of advanced bases as the fleet moved to the far Pacific. The importance of this phase of the program cannot be overemphasized, since the salvage and reconstruction of the vessels damaged at Pearl Harbor, the repair of battle-damaged ships, and the clearance of harbors captured from the enemy have added to the fighting strength of the Navy often as effectively as has new construction.

The construction of this vast number of

ships and their maintenance in a condition fit to fight has raised a multitude of problems and called upon the full energy and resources of the government and private industry. From the outset of the emergency it has been a long, uphill struggle against time. Above all, problems have arisen because of the sheer size of the effort.

Responsibility for building, modernizing, and repairing the fleet, including designing, planning, and contracting, and supervising work in the shops and on the ways, is centered in the Bureau of Ships. Other bureaus and administrative agencies of the Navy Department contribute, of course, to the over-all job: the Bureau of Yards and Docks builds shore facilities; the Bureau of Supplies and Accounts purchases standard stock materials and performs cost inspection and accounting functions; the Bureau of Ordnance designs and procures armament and heavy armor; the chief of naval operations determines the military characteristics of ships and components and the quantity requirements to balance the various bureau procurement programs; and the Office of Procurement and Material coordinates those bureau procurement programs as they affect facilities, materials, and problems of contract negotiation, and in addition represents the Navy vis-à-vis the War Production Board. The Bureau of Ships, however, is the clearing house for technical and procurement information and has primary responsibility for managing the entire shipbuilding organization, which forms a pyramid with the bureau at the apex, the several hundred shipyards below, and the thousands of manufacturers of materials and components at the base.

Specifically, the functions of the Bureau of Ships concern all parts of the Navy's ship-building program. It has to (1) design ships and equipment, (2) expand facilities, including factories, machine tools, shops, and ways, (3) recruit adequate skilled manpower, (4) procure and allocate materials, and (5) control and direct the whole so that production at all levels will result in maximum production of ships with minimum cost of scarce resources.

The Problem of Design

THE first responsibility of the Bureau of Ships is to design ships which can outfight the enemy. To achieve this end no efforts have been spared, and continual work in the years between the wars advanced the art of naval ship design so that when the emergency occurred new plans either were available or could be developed to meet the needs of the fleet.

The process of ship design starts when the chief of naval operations and the Secretary of the Navy direct the Bureau of Ships to draft plans for a vessel embracing certain specified characteristics. The bureau then submits a preliminary design for the approval of the General Board and the chief of naval operations. Once the preliminary design has been approved the problem remains of translating it into contract plans and working plans. Contract plans showing detailed specifications are usually prepared in the bureau. Working plans are usually prepared by the building yard or its agent. The skill with which these plans are drafted will not only determine the value of the ship as a fighting unit of the fleet but also determine the ability of the building yards to complete the production job. Poorly drawn plans can hold up production as certainly as any other single factor.

In the past five years the bureau has developed basic designs for a dozen or more entirely new ships, such as the 45,000-ton battleship of the *Iowa* class, the large cruiser

of the *Alaska* class, the destroyer escort, the 2,200-ton destroyer, and a variety of landing craft, and it has also accomplished substantial design modifications on scores of other types.

Battle experience has been used effectively to improve basic designs and correct minor weaknesses. War damage reports from all fighting fronts are always promptly forwarded to the Bureau of Ships and there assigned to the bureau's naval architects and marine engineers for use in improving the Navy's new ships.

The loss of the carrier *Lexington* in the Battle of the Coral Sea, for example, furnished the data from which the bureau was able to devise new methods for reducing gasoline fire and explosion hazards on board ships, as well as new methods of fire fighting. Coral Sea pointed out the vital need for improved stowage methods for gasoline, fuel, and ammunition. From this experience the bureau developed new non-inflammable paints and a special fireproofing treatment for mattresses and other ship-board equipment.

Fundamental research has grown with the problem of improving the ships and equipment of the Navy. The work of the Bureau of Ships is coordinated with that of other bureaus and offices of the Navy Department through the Office of Research and Inventions, and also with that of the Army and other government agencies, particularly with the Office of Scientific Research and Development.

Twenty-six different laboratories located in all parts of the country are under the direction of the bureau. One of the most important, the David W. Taylor Model Basin, has the most modern and complete equipment of any such activity in the world. Other laboratories are equally well equipped and are responsible for research and development of propulsion equipment, materials, and electronics equipment.

Radar and other electronic development is the most extensive single research interest

of the bureau. At the outbreak of the war radar was still in the experimental stage, and as a consequence it was necessary to carry on basic research simultaneously with full-scale production—a condition which is far from ideal from either point of view. Nevertheless, through the closest cooperation of scientists in naval laboratories, industry, universities, and the Office of Scientific Research and Development, tremendous strides have been made, and equipment developed since the outbreak of war has been one of the main features which turned the tide of World War II in favor of the United Nations.

In carrying on its work in this field, the Bureau of Ships has had close cooperation from the Bureaus of Ordnance and Aeronautics, both of which have vital interests in fire control and naval aircraft operation. Similar cooperation with the Army has been an outstanding example of the effectiveness of joint action by the two agencies.

The Problem of Facilities

THE tremendous expansion in the shipbuilding program in June and July, 1940, and further increases after the attack on Pearl Harbor made the expansion of facilities the first task of the bureau. A nucleus of eight navy yards and twenty-eight privately owned yards was expanded to carry the greater part of the burden. In general, the private yards have done most of the new construction and the navy yards most of the repair and maintenance. The twenty-eight private yards built over two-thirds of the combat tonnage and nearly all the auxiliaries. The navy yards, however, also built a considerable tonnage, chiefly of larger combat vessels including most of the battleships.

So great was the volume of work, however, that every organization with experience in shipbuilding, and some which could claim no experience but had demonstrated outstanding ability in related fields, were brought into the program. For

example, it was decided soon after Pearl Harbor to enlist former bridge builders and structural steel producers in the Mississippi Valley for a large part of the landing craft program. In spite of their shipbuilding inexperience these companies have successfully completed their assignments and indeed have contributed some outstanding innovations. This and similar experiences emphasize the importance of management—an intangible factor and perhaps for that reason not always given due weight in the selection of vendors.

Although the large and experienced companies received the bulk of the contracts, the bureau did not overlook the potential capacity of small shipyards and manufacturers. At one time more than three hundred yards were building ships and craft for the Navy, most of them former builders of small boats now making wooden auxiliaries, boats, and landing craft.

Hand in hand with the necessity of expanding shipyard facilities was that of expanding collateral facilities for supplying to the shipyards machinery, components, and raw and semifabricated materials. The magnitude of this expansion may be illustrated in the case of components, which include thousands of items ranging from optical parts and jeweled bearings to turbines and boilers and even carrier catapults. Indeed, the expansion affected probably every industry in the nation, for in mid-1944 the landing craft program alone employed perhaps thirty thousand mills, foundries, and machine shops and made especially effective use of small plants.

The need for speed in planning and in making awards at the start of the war led to three major departures from peacetime financial practices. One was the negotiation of contracts without obtaining bids, which made it possible to speed negotiation and to select firms on the basis of their technical experience and facilities regardless of their cost position. Another was the use of the cost-plus-fixed-fee contract, which has

helped greatly in completing negotiations with contractors new to the business or for production of equipment never before produced. It has been used cautiously, however, because it does not offer sufficient incentives to contractors to cut costs. A variation of the cost-plus-fixed-fee contract with a bonus feature for cost reduction has been used with good results. Never having amounted to more than 15 to 20 per cent of the dollar value of outstanding bureau procurements, the cost-plus-fixed-fee contracts are now being closed out as rapidly as is practicable.

A third departure from peacetime financial practices was the letter-of-intent arrangement which permitted the contractor to start his work of design, expansion of facilities, procurement, and even line production while the final details or the contract prices were still being negotiated. This arrangement was particularly valuable in cases of great urgency where the fact that the product was completely new prevented the rapid conclusion of a contract. Letters of intent were not usually permitted to remain outstanding for more than sixty days.

The Problem of Manpower

IN SPITE of the rapid development of facilities and time-saving devices for negotiating and concluding contracts, the program of shipbuilding could not proceed more rapidly than the supply of manpower would allow, and indeed was hindered by the fact that other essential industries and the armed services soon drained off many not only of the unemployed but also of the workers released from nonessential production.

Nevertheless, in five years up to July 1, 1945, employment on naval construction and repair increased five times to a million men and women. Probably two million persons were added to the payrolls of industries manufacturing and supplying materials and components for naval vessels, for it has been estimated that at least two persons work in

supporting industries for every person working at the actual ship-building.

Two main sources of extra manpower became available to meet the needs of the program. The greatest source was made up of men and women who formed the surplus from nonessential industries and services or even from essential industries such as agriculture. The other was a surprisingly large number of women without previous industrial experience who were recruited to work in shipyards; women now form approximately 10 per cent of the total shipyard force. Thus men and women had to be trained to work at trades for which most of them had little experience and some of them had little aptitude. Most of this training was done by the yards and factories, and although an outstanding job was accomplished, there remains today a serious shortage of skilled shipyard workers in certain strategic trades.

A still more troublesome manpower problem confronting the Navy arose from the need to build and repair deep-draft ships in adequate harbors and thus to pile even heavier workloads on yards in already tight labor areas. The effect was to tax the limited facilities of many communities and in many cases to take the navy into the business of transportation and housing, especially on the west coast, where the naval and maritime shipbuilding programs competed with each other and with the aircraft program. On the other hand, in some areas hitherto practically unpopulated, such as at Orange, Texas, where there was to be sure no competition from other war programs, there was nevertheless a problem of creating housing, schools, and transportation facilities for a new community.

But perhaps the most discouraging manpower problem were absenteeism and labor turnover, which after V-E Day increased even above their previous high levels as the patriotic pressure to stay on the job lifted. Moreover, as men and women

sought jobs with postwar futures, shortages became especially acute in repair work, which required higher skills than comparable new construction trades.

These problems, perplexing as they have been, must not blind us, however, to the fact that the productivity of labor increased remarkably and that in the especially critical destroyer escort and landing craft programs long hours and extra effort on the part of labor delivered the goods when and where they were needed.

The Problem of Administration and Control

IT is true that the ultimate limit of any industrial effort, including war production, is set by the availability of manpower and natural resources and by the state of technical development. But the more immediate and practical limit is set by the effectiveness of the system of administration and control by which these available factors and technical knowledge are combined and geared to the needs of strategic military operations.

At the very top of this system have been the Combined and Joint Chiefs of Staff, the chief of naval operations, the Army and Navy Munitions Board, and the War Production Board, which have determined the military requirements and evaluated their relative urgencies. The translation of these needs into accomplished facts has been the responsibility of the Bureau of Ships and other similar groups, which have had to develop controls and procedures of their own. In the administration of these controls effective results have been achieved from close contact both with the Office of Procurement and Material and with the War Production Board under its controlled materials plan.

For purposes of control within the Bureau of Ships, responsibilities have been assigned to seven divisions, of which three perform primarily business functions of general administration, finance, and con-

tract negotiation, and four perform primarily technical functions related to building and repairing ships and shore establishments and to procuring the highly complex radar and other electronics equipment. These technical divisions—of which the shipbuilding and ship maintenance divisions are at present in the process of amalgamation, the main groups having been brought together already—bear together with the electronics division the primary responsibility for carrying out the production program.

One of the principles established at the outset of the emergency program was that the bureau should be decentralized to the maximum extent possible. To accomplish this decentralization, all field activities not only were given greatly increased responsibility but were instructed to refer to Washington only over-all policy questions. From time to time, as war urgencies modified the peacetime procurement system, additional instructions have further broadened the powers and responsibilities of the field inspection services. One of the questions uppermost today is how far we may proceed with profit toward further decentralization.

The ability of responsible officials determines more than any other single factor the success of a program. This was particularly true in the early days of the ship building program, which expanded so rapidly that there was often too little time for detailed plans to be developed. Vital decisions often had to be made at the lower levels in the organization, and few of them could be made without some engineering and naval architecture background and administrative sense. A small group of the regular Navy had these qualifications: officers who had chosen a career in the Navy's shore establishment and had been selected for "engineering duty only." Postgraduate training in engineering and naval architecture and tours of duty in the various Navy industrial establishments have given these

officers broad practical and technical experience in shipbuilding; they head most of the branches and divisions. It was clear from the start of the emergency program, however, that there would not be enough regular officers with this experience to carry the full load; and reserve officers and civilian specialists were recruited to fill the lower echelons, from section heads and project engineers on down. Of the 1,503 officers now in home offices of the bureau, 1,317 are reservists. A similar expansion of the reserve complement has occurred in the bureau field offices.

Within the shipbuilding and ship maintenance divisions may be found the most interesting feature of the bureau organization: specialized sections with responsibility for progressing certain segments of the program. Thus for each major type of ship, progressing is the responsibility of a "ship type desk," and each such desk works with the design branch on technical matters and with other groups on materials, components, etc. For each major type of machinery or equipment, wherever installed, progressing is the responsibility of a "technical desk"; thus the "ship type desk" has the closest contact in the bureau with the building yards, while the "technical desks" have the closest contact with the manufacturers. This division of responsibility has permitted effective control to be maintained over programs involving many ships of a type while still preserving a balance in the manufacture of components common to ships of more than one type.

Although "type desks" and "technical desks" can schedule specific segments of the program, they do not command the view of the total program necessary to establish requirements for raw materials and to evaluate the status of the program as a whole. To do this it is first necessary to make accurate estimates of amounts and delivery dates of materials and components required. To make such schedules it is necessary to pre-

pare bills of material for every type of vessel stating precisely how much of each material goes into the hull at the yard or into components and subcomponents at the factory. The next step is to establish an erection schedule for each vessel type showing the specific dates on which different materials and components will be needed. The specific date schedule is based on general erection sequences indicating in which order the hull frame is to be set up, the machinery installed, the superstructure built, and other major items erected or installed. The information on sequences is then set up on IBM machines in such a way that, as soon as the keel-laying date is known, exact requirements may be accurately determined for any actual date or period. The complexity of the scheduling job is reflected by the fact that fifteen or twenty thousand different items going into naval vessels require one or a combination of the three critical metals, steel, copper, or aluminum, and that these metals require careful allocation for maximum effectiveness.

The exact status of the total program at all times is obtained from the progress report. From this report, which shows percentage of completion and estimated delivery dates, the Bureau of Ships can maintain a view of over-all progress, and other bureaus can establish when, say, ordnance must be delivered or when ships' crews must be ready to man the finished vessels, and the high command may keep informed as to probable delivery dates and plan future fleet operations.

Without the system of controls roughly sketched, it would have been very difficult to push the shipbuilding program successfully through the 1944 peak. Not only did the controls provide the necessary information, but they brought out the weak spots in production and procurement in time for expediting and progressing to prevent delays in ship or program completion. They also facilitated the working out of radical

changes in whole programs within very short periods in response to unexpected demands of war.

Future Outlook

THE sudden capitulation of Japan has occurred since this article was written. The job ahead is to supervise the termination of new construction as smoothly and quickly as the situation permits and yet preserve facilities for continuing postwar

development of a constantly effective and wholly modern Navy and Merchant Marine.

As matters now stand, the bureau's workload of repair and maintenance will by no means end with the peace. Reconditioning, overhaul, and reconversions to merchant service will continue on a large scale many months in the postwar period, as will also the work of laying up naval vessels which will become a part of the reserve fleet.

Supply Policies

By REAR ADMIRAL WILLIAM J. CARTER, S.C., U.S.N.

Chief of the Bureau of Supplies and Accounts

WITHIN the naval establishment the custody and accountability functions, in their broadest senses, have been assigned to the Bureau of Supplies and Accounts and the supply corps of the Navy. Organizationally, each of the bureaus of the Navy Department has specific cognizance over stated functions and reports directly to the Secretary of the Navy. Functionally, the business management duties of the Bureau of Supplies and Accounts cut across the entire Navy structure.

The custody function comprises the receipt, storage, distribution, and issuing of Navy supplies and materials. In short, the Bureau of Supplies and Accounts administers the entire Navy stock system. Officers of the supply corps are individually accountable for stock in their charge, and issue it only on custody receipts to consuming activities.

The accountability function consists of: (1) keeping and auditing the property and money accounts of the Navy; (2) paying for all articles and services procured for the Navy; (3) supervising the cost inspection service of the Navy; and (4) administering the naval stock fund, naval working fund, clothing and small stores fund, and naval procurement fund.

The Concept of "Standard Stock"

THE Bureau of Supplies and Accounts is traditionally responsible for procuring items of standard stock—so designated because the items are commonly used throughout the Navy, because their specifications are relatively stable, and because they are not subject to excessive deteriora-

tion or obsolescence. For purposes of accounting, as well as in actual storage, such stock is segregated into numbered classes, described by broad and general nomenclature. For example: Class 21 comprises cordage—hemp, jute, oakum, and twine, including manufactured articles. Class 22 comprises wire rope and wire and comparable items.

This standardization originated in the Navy's desire to keep an accurate property accounting. It has resulted in: (1) the elimination of duplicate procurement among the bureaus of the Navy Department and between the Army and Navy, (2) the reduction of goods in store, and (3) lasting and substantial procurement savings.

Standard stock items are purchased through the naval stock fund, and held until they are issued in the naval stock account. Since the fund is a revolving one, stock issued is paid for, after issue, out of the appropriation of the requisitioning bureau.

Obviously, the more stocks can be standardized, the more money can be saved. But standardization of stock must be accompanied by standardization in the writing of technical specifications, warehouse policies, identification and cataloging procedures, and inventory procedure. All these functions had to be altered to some extent at the outbreak of war, and all these changes had impacts on the general custody function of the bureau and supply corps.

Before the declaration of war, stocks had an annual average "turnover" rate of four to five times. As a financial proposition, this made an excellent showing, because of its favorable reaction on the naval stock fund;

but as a military proposition, with the advent of war, it proved distinctly inadequate.

Throughout the war, the bureau had two principal interests: first, to assure that stocks on hand were adequate to meet any anticipated demand; and, second, to assure that the naval stock fund was not abused by the procurement through it of items of nonstandard, slow-moving, or rapidly obsolescing stock. It was evident that in a period of expansion, the very time element involved in issuing material from the naval stock account would exhaust the fund; so periodically the capital of the fund had to be increased by congressional appropriation. At present, the legal limitation on the fund is \$2,250,000,000.

Standard stock was replenished in peacetime partly under an annual consolidated replenishment procedure and partly by routine (naval stock account) requests or shipment requests. Only the items in each class that moved rapidly were replenished in consolidated fashion—a small percentage of all items involved. For the others, the requisitioning activity was limited by a formula that would provide a reserve equal to a year's issue, based on past experience. Later, the stock limitation was increased to an annual reserve based on anticipated issues, leaving the amounts to the discretion of supply officers in command at designated activities.

In peacetime the needs of every type of ship in the fleet came to be known within narrow limits. The original table of basic allowances was reasonably well defined; tables of usage data were accumulated from the totality of requisitions received annually; repair and maintenance were likewise charted with considerable accuracy.

But in wartime there were two distinct differences. First, ships and planes of new types were being commissioned. There was no accurate concept of what their original stock needs would be, and no possibility of anticipating firm usage factors. Second, even for ships and planes of a familiar type,

there existed the new problems of vastly different operating conditions, involving higher speeds, emergency repairs, unpredictable areas of operation, and, most important, distance and enemy action.

Recognizing the need for more supplies, the bureau periodically authorized augmented stocks by blanket directives. For example, in September, 1939, six months' supply was arbitrarily added to the authorized stock replenishment base of key supply points. Again, the periods for consolidated replenishments of stocks were moved up six months in 1939 and 1940. But these horizontal increases, while meeting an emergency situation, naturally caused stock unbalances when the fleet moved farther away from some supply points and increased requisitioning of supplies on others.

Thus, as early as 1940 the policies of horizontal elevations of stock levels, of easing of local procurement restrictions, and of expansion of the naval stock fund, had all contributed to a loosening of the remaining bureau controls over field inventories. However, in these early emergency years overprocurement generally resulted more in excesses of specific items at specific points than in general Navy-wide excesses of most items. Accordingly, during the fiscal year 1940, the bureau undertook a stock leveling program, diverting any excess stocks to fill the needs of various supply activities.

In retrospect, it is indisputable that restricted appropriations slowed the Navy's attempts to accumulate necessary stocks in the defense stages. Up to the time war was actually declared, the increasing size of the Navy was fought bitterly in some quarters. Critics labeled naval expenditures as extravagant, and regarded further procurement of stock as unwarranted since the nation would not go to war.

In September, 1941, for instance, the Navy was openly accused of "hoarding," and in November, just a few days before

the Pearl Harbor attack, it was necessary for the under secretary to justify the Navy's stock policy in answer to a question raised by the Office of Production Management. Stocks as low as six weeks' supply were being advocated by some. Today's gigantic appropriations, however, vividly belie the optimism of those who espoused the cause of low stock levels.

Prior to our actual entry into the war, the bureau's stock division began to accumulate information on inventories and requirements for commodities and end products as they became critical. Statistics on issues and stocks were accumulated from the regular procurement group report, which in 1942, for the first time, required that the stock status of all items listed on procurement group forms be reported, regardless of whether or not replenishment was asked. This led to the inventory control of critical material under the WPB's production requirements plan and, still later, to the establishment of the controlled materials branch and the Navy controlled materials warehouse system.

The functions of inventory control begun in the stock division were later, in 1944, implemented by an IBM system of stock reporting. Adoption of the policy of mechanizing field stock accounting procedures developed, as a by-product, summary cards that were forwarded periodically to the Bureau of Supplies and Accounts for consolidation. This procedure was instituted only after studies were completed at all continental navy yards, and at several supply depots, in order to uncover local stock accounting problems and develop a unified procedure.

The Problem of Shipment

ADDED to the complexities of stock replenishment to continental activities in this war was the system of "packaging" replenishment stores. Advanced bases came to be stocked by means of components comprising all the material and all the person-

nel necessary to perform a specific function. A typical component might be a hundred-bed hospital, a gardening unit, an air station, or a supply depot.

Replenishment was also to a progressively greater extent accomplished by "packaging," especially through the BBB-AKS (Basic Boxed Base—Stores Issue Ship) load, a pre-arranged shipment of a fixed number of items. The theory was to attempt to determine in advance what the operating units would need and to have it ready for shipment when requisitioned. The triple-B load and AKS load were the same, but the former was packed for unloading at one spot, and the latter was packed for a type of retail distribution aboard stores issue ships.

Naturally, these specialized types of loads were only an approximation of what would be needed at a specific base or aboard any one ship, because usage factors would differ from base to base and from ship to ship. Continued reliance upon "packaging" alone would have resulted in stock unbalances at the combat end of the supply line, but their use saved precious time.

Standard Stock Catalog

ONE of the chief stock problems, in peace as in war, has been the complex matter of identification of material. With the Navy buying hundreds of thousands of separate items it was inevitable that contracts would be let for the same items by the different bureaus and that the same item would get into the channels of supply under two or more different names, part numbers, or stock numbers. This fact, recognized by the Navy for over a generation, led in the first place to the concept of "standard stock" and to the development of the *Federal Standard Stock Catalog*—itself uniquely a Navy development.

Before World War I, articles used by the Navy were listed on the allowance lists of the various bureaus and described by the bureaus individually. For example, an

ingredient commonly used in making paint appeared on allowance lists under six different commercial names: barite, barium sulphate, barytes, blanc fixe, heavy spar, and permanent white.

It is plain that the same variation in language might exist in the identification of most items. Mechanics at various navy yards—and even in different departments of the same yard—might have different names for the same tool or the same machine part. Under these circumstances, personal preference would dictate stock procurement.

As a result, Navy storehouses all over the nation were filled with an unnecessarily large range of kinds and sizes of many items. And because of the lack of standard nomenclature, duplicate stocks existed.

In 1914 Rear Admiral T. H. Hicks, S.C., U.S.N., then a captain and supply officer at Norfolk Navy Yard, undertook to prepare a Navy standard stock catalog, which was completed for Navy use in World War I.

So efficient was this catalog that, in 1929, the entire staff of Navy personnel that was at work keeping it up to date was moved bodily, together with a similar staff from the office of the quartermaster general of the Army, to the then naval supply depot in Brooklyn, to compile and publish the *Federal Standard Stock Catalog*, including items standard to all branches of the government. The chief coordinator for general supply, under the Bureau of the Budget, and later (1933) under the procurement division of the Treasury Department, was given the task of actually procuring these items of federal standard stock.

Three principal objectives of the *Standard Stock Catalog* were: (1) standard nomenclature, preventing duplicate procurement by making identification of items positive and by indicating in certain cases interchangeability among similar items; (2) elimination of all nonessential items, thus averting unnecessary procurement by removing from the catalog and from the re-

plenishment lists obsolete and deteriorated stock; and (3) arrangement of items according to a predetermined system, which avoided overprocurement by allowing a storekeeper to determine readily whether or not the item he desired was in stock.

In the fall of 1943 the need for revision of the *Standard Stock Catalog* became urgent. The stock analysis section of the stock division was assigned to: (1) determine, through analysis of items of local stock, which items should be included in the *Standard Stock Catalog* and which should be deleted; (2) analyze and make recommendations regarding requests from the technical bureaus for additions and deletions of items in the *Catalog*; and (3) establish a method for bureau control of local stock numbers.

Wartime conditions had made the Navy catalog inadequate, by invalidating former ideas of what items are essential to a "standard and adequate" stock. Many items, ranging from clothing to aircraft replacement parts, must be available for issue to vessels and bases all over the world; the previous concept of standard stock had embraced only those items of general house-keeping familiarly termed within the supply corps the "nuts and bolts." But in war, even specialized equipment, developed by technical bureaus, has gradually become essential standard stock.

Inventory Control

IN JULY, 1944, the Secretary of the Navy appointed Rear Admiral James M. Irish, U.S.N., officer-in-charge of inventory control. A directive was issued establishing the inventory coordinating group under the Bureau of Supplies and Accounts. This new activity was given the mission of inventorying and cataloging all Navy-owned material. On July 31, 1944, the inventory coordinating group was decentralized to New York City.

During the first four months of operation, the function of inventory control was

largely limited to supervising and expediting of physical inventories in process at continental naval activities. As this work neared completion, it became increasingly clear that a complete program of inventory control, to be effective, should be closely correlated with the work of the stock division, Bureau of Supplies and Accounts. Accordingly, on December 27, 1944, a directive issued by the Secretary of the Navy reassigned this duty to the Inventory Control Office and established the Navy Catalog Office to absorb the catalog functions of the inventory coordinating group. As directed, the functions of the Navy Catalog Office were to: (1) prepare, with the assistance of all bureaus, and subject to the policy direction of the chief of naval operations, a catalog of Navy material; (2) develop, with the assistance of the various bureaus, such special catalogs as might be required from time to time; and (3) maintain close liaison in connection with the cataloging of Navy material with the chief of naval operations, all bureaus of the Navy Department, commandants of the Coast Guard and Marine Corps, and coordinate bureau and office cataloging activities as they related to the development of the Navy catalog.

It was evident from the outset that the accomplishment of these missions involved many problems, including the establishment of operating plans and policies, which would require a comparatively long-term program. The decision was, therefore, made to organize the Navy Catalog Office to meet two primary problems: (1) that of establishing factual information concerning the cataloging efforts of all Navy bureaus, as well as of the Army Service Forces, the Coast Guard, and the Marine Corps, for the purpose of establishing procedures for distinguishing items of technical cognizance; and (2) that of publishing a new edition—or rather, an entirely new catalog of Navy material, of common or standard stock.

Fourteen field units were established at

various supply distributing points in the United States to identify and report to the central office all local stock items encountered in the field.

These local items were then screened, analyzed, and collated with standard stock items, and each class appropriately supplied with standard stock numbers. Thus, the process of controlling stock balances by standardizing identification techniques and nomenclature continues to have its effect on economical, speedy, and efficient stock policies.

The Controlled Materials Plan

THROUGHOUT the emergency and war periods, and, indeed, in all the planning for the emergency, it was recognized that shortages of certain materials would create production problems, particularly where lead-time—the interval between the placing of the order and the delivery of the goods—of procurement was a determining consideration.

As supervisor of the naval stock fund, the Bureau of Supplies and Accounts was required to maintain an inventory of controlled materials for issuance to meet continuing Navy needs. Future requirements of this stock were not susceptible to the same kind of programming that characterized material requests for production purposes as submitted by the various claimant agencies.

It became apparent at the outset, therefore, that the bureau must operate under the controlled materials plan in a manner that would make possible the fulfillment of its special responsibility. Accordingly, it was decided to consider controlled materials on hand as warehouse stock, and a formal agreement was entered into with the War Production Board outlining the manner in which twenty-two designated activities would operate as Navy controlled materials warehouses.

It should be noted immediately, however, that this system was an accounting concept and not a series of actual ware-

houses containing specified materials exclusively. Furthermore, the concept was that of a revolving fund. Recurring issues were regularly replenished, as in the case of commercial warehouses, but since the nature of issues might change appreciably from quarter to quarter the replenishment of future issues had to take into account both qualitative and quantitative changes.

Broadly, the theory of replenishment was that requirements for delivery during the next succeeding quarter should be equal to anticipated issues during the current quarter—i.e., issues through the Navy controlled materials warehouses against program allotments surrendered to the warehouses, plus an amount to maintain inventories at a higher level if expected issues of specific items showed a higher trend.

The existence of an adequate stock of thousands of items, all critical and some with a lead-time of six months, available for issue on short notice for any purpose, eliminated the necessity for accumulation of protective inventories within the naval establishment. It also served to aid general compliance with War Production Board inventory regulations. Furthermore, this readily available inventory assured an even flow of materials to the Navy's own manufacturing plants, repair facilities, outfitting activities, and construction projects, and issues to ships and shipments overseas for all programs relying primarily upon stock held in the naval stock account.

Surplus Disposal

IN 1942 the stock division instituted a salvage and conservation section, which later became the Navy material redistribution and disposal administration, first under the Bureau of Supplies and Accounts and later under the Office of Procurement and Material. The function of this activity was to keep a record of stock declared in excess; to attempt to divert it to other activities of the Navy; and, if it were declared Navy "excess," to dispose of it, either by transfer

to other governmental agencies or to one of the government's final disposal agencies.

Summary and Conclusions

THE era of peacetime stock operations was characterized by restrictive statutes governing the soliciting of bids and the awarding of contracts. Estimating of future requirements was a relatively simple task, and the system, although cumbersome, resulted in the easy procurement of stock items in a steady flow.

The problems of mobilizing for war prevented a complete knowledge of stock requirements because of the uncertainties of the defense stage and the precipitous manner in which the nation was forced to fight. Expedients became the order of the day, and the mandatory peacetime restrictions were gradually abandoned by a realistic easing of the strict accountability features governing custody and issue of stock; by periodic, arbitrary increases of allowance and replenishment lists; by the mechanization of reporting and control techniques; and, finally, by the broadening of the administrative base of procurement. These steps were frankly taken to meet and master a situation of dire emergency; at no time was the traditional Navy policy of strict economy abandoned.

Mechanical aids to stock custody, control, and redistribution were utilized to the fullest extent, and the entire theory of standard stock was widened. Operation of the controlled materials warehouses assured adequate stocks of essential, critical materials, without affecting the requirements of other claimant agencies.

In the final analysis, any account of administrative procedures is fruitless without some reference to the material program administered. The stock policies of the Bureau of Supplies and Accounts, conceived in terms of administration, came to fruition in the constant replenishment of materials and supplies to the elements of the fighting fleet.

Naval Transportation

By LIEUTENANT DUNCAN S. BALLANTINE, U.S.N.R.

Office of Chief of Naval Operations

IN THE size and complexity of its operations the task of military transportation during World War II dwarfs by comparison any previous undertaking of the kind. During the twenty months of our active participation in World War I the total of Navy overseas shipments of dry cargo (excluding liquid and bulk fuels) was roughly 400,000 tons—two-thirds the amount shipped during a single representative month of 1944. Overseas shipments during World War II, moreover, represented only 25 per cent of the Navy freight moving within the country on Navy bills of lading. On any given day 100,000 tons of freight, representing 12,000 daily shipments, was in motion. Besides this there was another large although indeterminate amount in which the Navy was interested moving on commercial bills of lading.

The military requirement for transportation coupled with essential civilian and allied requirements taxed existing facilities to the utmost. In order to meet these requirements, ships, railroads, motor carriers, pipe lines, inland waterways, and terminal facilities had to be regarded as a single pool of resources out of which by the most efficient employment and operation every possible ton of carrying capacity had to be drawn. The transportation facilities of the nation are not in fact a single pool or even under a single control. By virtue of ownership, operating responsibility, coordinating authority, and using interest, they form a mosaic of participating elements. The problem of meeting the total requirements was, therefore, one of administrative coordination.

The Nature of the Task

FROM the Navy's point of view the achievement of this coordination was conditioned by three principal factors. In the first place, the Navy was but one of the agencies with claims upon the transportation resources of the nation. Its claims had therefore to be pooled with those of the Army, Lend-Lease, and the essential civilian economy in order that a proper distribution and use of facilities could be made. It had to operate, in short, within a larger framework of administration designed to serve the requirements of total national and allied strategy.

Secondly, with the total demand for transportation so constantly approaching and at times exceeding the available resources, it was incumbent upon every user in the interests of economy and efficiency to integrate the phases and forms of transportation with which it was concerned into a coherent system of operations. Transportation capacity is not a fixed thing. More than any other function of our economy the capacity of our transport structure is dependent upon the manner in which its various elements are employed and operated.

Our shipping capacity, for example, is not simply a matter of the number and tonnage of vessels at our disposal or of other physical factors, such as loading berths and sailing distances. Shipping capacity includes these factors, of course, but in the last analysis it depends upon how all contributing facilities are used and, in particular, how well they are used together.

A ship of 10,000 tons deadweight capacity

might perhaps make four round trips (turn-arounds) per year to a given Pacific base under optimum conditions. But the total turn-around time is itself a combination of the number of days spent in loading, sailing, discharging, voyage repairs, awaiting convoy, refueling, etc. If too many ships are crowded into a port at one time so that they must await their turn to be loaded or unloaded; if they are poorly matched in convoy so that faster vessels must tailor their speed to the slower; if a terminal is overburdened so that its working efficiency is lowered; if convoy and loading schedules are not synchronized so that ships must await convoys or sail partially loaded—if these or any other of the many possible unfavorable circumstances arise, days will be lost. Turn-arounds will be lengthened, and the ship which might have lifted 40,000 tons annually on a given route will, in fact, make only two trips and lift 20,000 tons. For all practical purposes it represents then only half a ship.

Similarly, in the case of inland transport by rail or otherwise, the capacity of our facilities is dependent upon the efficiency of their operation in themselves and as parts of the total system. During World War I, because of lack of integration with shipping, storage, and terminal operations, there was a strong tendency for freight cars to pile up behind the ports and storage centers, where they waited weeks, perhaps months, to be unloaded, serving as nothing more than storage space. Once such a dislocation occurs it is not easily remedied, and its effects may be felt throughout the transportation structure for some time—in the faulty distribution of freight cars, in resulting overtaxing of storage and transfer facilities and of parallel mediums of transport, or perhaps in a disarticulation of domestic and overseas movements.

The problems of gearing together these variable capacities so that materials may flow smoothly and without delay is highly complex. But its solution was essential to

the conduct of naval and military operations and to the maintenance of the civilian economy on the scale we have undertaken.

A third major factor in the military transportation problem is the fact that the whole process of moving men and materials is conditioned by a military end, subject to the vagaries and changing exigencies of operations against the enemy. It has been perfectly clear that unforeseen enemy actions sometimes seriously disrupted our strategic and logistic plans. Such was the case, for example, when the Germans managed to retain their hold on the ports in northern France. What has not always been so obvious is that our own successes, exploiting some unforeseen enemy weakness, sometimes produce logistic complications and disruptions equally as great.

The military end provides, moreover, an imperative more arbitrary and more categorical than is ever imposed upon ordinary commercial or industrial enterprises. "War is the province of uncertainty," said Clausewitz; yet nothing exacts a greater degree of nicety in planning and performance than a large-scale naval or military operation. Each operation must be preceded by months of carefully planned build-up at advance bases and staging points which may consist of as many as fifteen separate echelons of movement arranged in detailed order of priority. Not uncommonly, moreover, operations will overlap so that the initial stages of preparation for a coming operation will coincide with the development stages of an earlier one which is already under way. With shipping scarce and discharge and receiving capacities at advanced bases extremely limited, the maintenance of a flow of materials consonant with the dictates of strategic desirability requires exact timing in transportation schedules and great selectivity in the determination of requirements for material support.

Such a refinement of procedure, however, cannot be effective independently. It rests

upon a coordinated and responsive transport operation extending from the assault beach back to the factory. It rests, too, upon the coordination of transport agencies with the other logistics agencies that are planning, procuring, and controlling the material programs. Transportation is, therefore, an element in the total logistic process. It is an integral function in itself and at the same time part of the larger integral function which provides the substance of naval power.

When the United States was plunged into the war on December 7, 1941, there were in operation none of the controls and few of the agencies which were later developed to administer the war transportation of the nation. Within the Navy, rail transportation of material was administered by the Bureau of Supplies and Accounts and of personnel by the Bureau of Personnel. Overseas transportation was presumably the function of the naval transportation service, but since that organization was not yet fully activated, it was the practice of the various material bureaus to deliver their materials at tidewater to commercial carriers or directly to the fleet service forces to which were assigned the major portion of the Navy's auxiliary vessels.

Between the Navy and the United States Maritime Commission a general procedure had been worked out under which merchant vessels could be requisitioned by the commission and turned over to the Navy. There was not, however, any procedure or agency which would determine how many vessels might be required and the relative urgency of the requirement. Between the Army and the Navy there existed an agreement that in wartime the Navy would man and operate the Army transport service and would provide transportation for the initial movement and continued support of Army forces overseas. Prior to the war, however, with the exception of certain vessels which were converted into assault transports, the

Army retained control of most of the vessels in its service, and, in fact, by charter agreements with the Maritime Commission and with private owners it continued to augment the merchant fleet at its disposal. When it required additional water transportation it went not to or through the Navy, since the Army-Navy agreement would not be operative until a state of war existed, but to the commission. As a consequence, there was not any practiced procedure whereby the agreement could be implemented and through which the requirements of the Army for overseas transportation could be translated into terms of a Navy shipping program.

For railroad and domestic transportation each service dealt independently with whatever carrier agency was available. In fact, their requests for transportation were not channeled through a single agency for each service. The bureaus of the Navy and the technical services of the Army dealt directly with transportation agencies.

Domestic Transportation

AFTER the outbreak of war the first step toward a closer coordination of domestic transportation was taken at the instance of Mr. J. J. Pelley, president of the American Association of Railroads. Shortly after Pearl Harbor he called attention to the alarming multiplicity of requests for transportation, from both responsible and irresponsible military sources, with which the railroads were being besieged. The railroads were prepared to delegate complete authority to the military transportation section of the association to respond to requests for special services. In return he desired that the Army and the Navy should each channel its requests through a single representative. For the Navy this was done by reaffirming the authority of the Bureau of Supplies and Accounts over matters of inland property transportation. Through its transportation

division it became henceforth the sole Navy spokesman and authority for domestic transportation of property.

A second step was taken in December, 1941, with the establishment of the Office of Defense Transportation with authority to coordinate the policies and operation of domestic transport facilities for the successful prosecution of the war. In April, 1942, the ODT, in order to prevent a repetition of the errors of the last war, determined to require individual permits for all carload movements to ports for shipment overseas. But this provision was relaxed to permit the issuance by the ODT of "block" permits to the Army and the Navy, which they in turn could release individually to the various bureaus and divisions within their respective departments which had shipments to make. Because a large number of the Navy's storage facilities were located at tidewater and because it was therefore difficult to distinguish between freight moving to storage or to transshipment, the Navy did not except in cases of emergency exercise a rigid control over naval shipments to tidewater. On the assumption that storage capacity would be sufficient to drain off any overflow at a transshipment point, it permitted each bureau to continue its shipments with a minimum of control. As shipments increased during the last few years of the war, it had occasionally to tighten this control by reverting to the system of individual releases of carload shipments.

Information as to the current condition of each port or tidewater activity was forwarded from the property transportation officers located in each naval district, so that when, for example, an abnormal bank of freight cars began to accumulate at any supply depot, the transportation division was in a position to withhold or reroute shipments until the congestion had been reduced.

By concentrating its attention upon the points where trouble or congestion was

most likely to arise instead of attempting a detailed control of every shipment in transit, the Navy achieved working efficiency with a minimum load on communications and a minimum working staff. On the other hand, when the volume of flow was large, it had at its disposal the means to apply a full and detailed control.

Coordination with the Army and with other shipping agencies in matters of domestic transportation was achieved primarily through a transportation control committee representing the Army, the Navy, the ODT, the War Shipping Administration, and the British Ministry of War Transport. By it the ODT permits were administered, and to it were submitted the estimates of future requirements and records of past activity upon which policies were determined. In addition, a port utilization committee on which were represented not only the military services and government transport agencies but also the various national programs kept careful watch over the capacity and workload of all major ports and terminals. Since port capacities are not only the essential link between domestic and overseas transport but also a limiting factor in all operations, the work of this latter committee was essential to proper distribution of the workload between the ports and hence to efficient routing and control of inland movements.

Another instance of Army-Navy coordination is the system of joint consolidation stations located at various points throughout the country. At these stations freight delivered either by express or by motor carrier in partial lots was combined into consolidated carloads so as to obtain faster and more economical transportation. Not only did this procedure provide speed and economy; it simplified the tracing and diversion of shipments and permitted a heavier loading and hence a greater utilization of freight car capacity.

One of the most important features of the Navy's administration of domestic transportation is that while controls were administered as lightly as circumstances permitted, the area covered by them was comprehensive. From a traffic management point of view—i.e., the determination of what transportation should be employed and how, as distinguished from operation of the carrier facilities themselves—the Navy's administration was completely unified. The transportation division of the Bureau of Supplies and Accounts could select whatever method was most appropriate in a given case—rail, motor truck, railway express, naval air transport service, commercial air express, or a combination of these. This consolidation of the traffic management function proved highly successful, particularly in the case of air transportation, for it tended to assure the most efficient use of all mediums of transportation.

Shipping

THE organization of an effective shipping administration, when war broke out, was more difficult and complex than was the case in rail or domestic transportation. One reason for this complexity was that the question of operating control, which for railroads remained in the hands of the private companies, was wide open in the case of shipping. The Navy has generally taken the view that shipping which habitually is employed within or to combat areas should for reasons of security be manned and operated by the Navy. It had been the intention of both services that this policy be put into effect. When the war broke out, however, the Navy, lacking personnel, was unable to man the vessels. The best it could have done would have been to operate the vessels with civilian crews, and, since this would have defeated much of the purpose of the plan, the Army preferred to retain in its own hands the responsibility for overseas transportation of its forces.

The condition thus created was in essence an administrative vacuum into which various cross-currents of policy began to penetrate from three directions—the Army, the Navy, and the Maritime Commission. What might have become a very chaotic situation was averted, however, early in 1942 by the creation of the War Shipping Administration.

Given a large grant of authority over the operation, purchase, and use of ocean vessels, excepting fleet auxiliaries and transports, the administration was in a position at least to prevent a complete breakdown. But since a grant of authority does not run a shipping business, a considerable period of time was required before the actual working procedures were developed and understood. The "lead time" of efficient shipping administration, if it may be called that, was almost a year.

The central issue of shipping administration, as in so many cases where military organization is involved, was the proper definition of the relation between civilian and military. The executive order creating the War Shipping Administration had directed it to "allocate vessels . . . for use by the Army, Navy, other Federal departments and agencies and the governments of the United Nations." The question immediately arose, therefore, whether the allocation should be for an extended period, allowing to the services actual control over the schedules of employment of allocated vessels, or whether, as the war shipping administrator insisted, allocations should be by single voyage with control reverting to the administrator upon the completion of the outward voyage.

That both services had originally given their approval to the executive order on the assumption that allocations would be made for at least a six-month period there can be no doubt. Nor is there any question that closer control over ship movements and schedules of ship availability would have greatly simplified their job of integrating

shipping with other phases of planning and controlling the flow of materials.

On the other hand, although the military services certainly had a prior claim upon available shipping, they did not have an overriding claim. During 1942, as our war production program was gaining momentum, there was a great demand for critical materials from abroad, and it was necessary, therefore, that vessels which carried a military load outbound be diverted to pick up civilian cargoes on the homeward voyage. Still another large demand was placed upon our slender shipping resources by the requirements of Lend-Lease. If then any sizable amount of tonnage were segregated by long-term allocations for exclusive military use, there was a serious question whether these other demands could be met and whether in the end the total shipping program would not suffer. With shipping required for a variety of purposes in every corner of the globe the War Shipping Administration believed that the total program could only be served by a pooling of vessels from which the requirements of all claimants could be met with the greatest flexibility and hence the greatest economy of employment.

In the working out of this problem neither of these opposing views achieved a complete dominance. Ships for the most part were pooled, and it is true as well that in theory the administrator determined the allocations to be made to various agencies requiring shipping. But in practice there was a good deal of give-and-take through which a working balance in meeting the requirements of all claimants was generally maintained.

Perhaps the most important factor in this working balance was the counterweight to the authority of the administrator which was supplied by the Joint Chiefs of Staff and its subcommittee for shipping, the joint military transportation committee. The function of this committee, on which Army and Navy were equally represented

and on which there was also an associate member from the War Shipping Administration, was to review for the Joint Chiefs the shipping implications of various proposed strategic undertakings, to consider shipping requirements, and to oversee the general employment of shipping for military purposes.

On still a higher level the same coordinating functions were performed between our government and Great Britain. On the military side a combined committee working under the Combined Chiefs of Staff paralleled the work of the joint committee in problems affecting both countries. On the civilian side each government was represented on a Combined Shipping Adjustment Board, sitting in both London and Washington, through which an over-all record of United Nations shipping availability was maintained and through which the pooling and interchange of vessels was made in accordance with the requirements of over-all strategy.

Although the War Shipping Administration assumed a preeminent position in the allocation and operation of merchant shipping, the Navy gradually built up during the war a sizable fleet of merchant-type auxiliary vessels. For this there are several reasons. First, there was a certain amount of support shipping required to operate directly or in close association with the fleet. Fleet tankers, ammunition ships, and provision ships perform services which are naval as distinguished from maritime and must, therefore, be manned by naval rather than civilian personnel. Secondly, there was a large requirement for vessels to operate in intratheater services between one base and another, often under hazardous conditions. Some of these were Navy-manned and some were vessels which the WSA authorized to be retained in the theater for a prescribed period of time. Thirdly, every amphibious operation required a large concentration of support shipping in which civilian operation had

to be kept to a minimum if command were to be exercised effectively. There was of necessity a sizable portion of civilian-manned shipping engaged in major amphibious operations, and, while the conduct of the merchant crews deserves only praise, the assignment to the Navy of such great responsibility without full control of the means to discharge it was an unwarranted risk to the nation.

The over-all pattern of transport administration within which the Navy has operated is not perfect, but it does contain certain definite virtues. The principle of ultimate civilian control is undoubtedly sound. It is an expression of an essential concept in our society; further, it has a practical advantage in that only by the superimposition of a civilian authority over the means of transport can the requirements of a total national and allied war effort be properly balanced and met. There is in wartime a very clear need for strong coordination of all instruments of transportation, and there is no question that this is a government responsibility. It is important, too, that the military authorities, who exercise great responsibilities, should have a clear-cut priority in these essential means by which their responsibilities can be discharged. It does not follow, however, that in time of war the Navy should "take over" shipping or the Army the railroads.

At the same time, there is a limit to the extent to which ultimate civilian control should penetrate into matters of a naval or military character. In terms of shipping this means simply that the Navy has need for a fleet of Navy-manned-and-operated auxiliary vessels to assist it in the performance of naval tasks. The size and character of such a fleet are a matter for naval determination, subject to the decision of the President and the Congress. Its employment is a naval responsibility under the commander in chief.

Control over the movement of both naval

vessels and WSA vessels while in Navy employment was delegated almost entirely to various regional or fleet commands. In general, the control over a vessel passed to the authority commanding the area in which it operated. Thus, when a vessel returned to the Pacific coast its movements were directed by the commander, Western Sea Frontier, the Navy's west coast logistic command. When it moved into the theater it passed to the control of the area commander, who had cognizance of the ports in his area and therefore of the movement of vessels to them.

Over all these ship operations the naval transportation service kept a general watch through the port director organizations which it trained and administered and through the daily ship position reports and periodic port activity reports which indicated the general employment of shipping in all parts of the world. Thus, in principle, immediate control over shipping was applied at the operational level, where it could be made responsive to changing needs and circumstances, but was carried out along general lines of policy determined at the center. In practice the west coast command had a much closer working relationship with the area commander than did the naval transportation service. While NTS did have a final check upon the use or abuse of shipping in the theaters, it is possible that stronger lines of policy control would be an improvement.

Transportation and Naval Administration

IT IS true that there was never during the war a single naval agency controlling either the traffic management or the operating aspects of naval transportation in all its stages. In part this was the result of conscious purpose—the principle of centralization of policy and decentralization of execution upon which a great deal of naval administration is very properly founded. In part it was the result of the wider context of

shipping administration within which the naval transport worked and to which it had to adapt itself. In part also it was a reflection of the traditional organization of the Navy, and, in particular, of the bureau system of administration.

From the point of view of organizational neatness, the Navy's system is indeed an ugly ducking. Yet anyone who has dealt with matters of administration in both practice and theory will know that the organization chart and the pattern of actual practice frequently are two different realms of being. If in appearance the Navy's system is untidy and loosely constructed, in practice it has had surprising coherence and efficiency.

No system should be judged, however, entirely upon a pragmatic basis. Although the Navy system has worked well, there is no doubt that it would work at least more easily if lines of organization were more neatly arranged. If unified and rationalized it not only would provide a less appalling spectacle to the casual observer but would offer fewer idiosyncrasies for the naval officer to familiarize himself with before he understood its problems, policies, and procedures and would therefore assure a more rapid transition from peacetime to wartime

operation. A reorganized system need surrender nothing in the way of desirable decentralization, and it might stand to gain in the development and application of overall policies.

The achievement of unity in the Navy's transportation organization and practice has been largely dependent upon the position held by the chief of naval operations. For the duration of the war he was charged for the first time with the actual "preparation, readiness and logistic support of the operating forces," and with "the coordination and direction of effort to this end of the bureaus and offices of the Navy Department." Under this authority, although for reasons of expediency existing transporting agencies were not physically consolidated, they were steadily drawn together in practice as part of a single corporate function. At the same time, transportation as an instrument of supply and material support was integrated into the total structure of logistic support. In order to assure itself an effective permanent organization for transportation, it remains for the Navy to examine its own present experience and translate into suitable organizational form the practical working system it has evolved during the war.

OPA Volunteers: Big Democracy in Action

By CHESTER BOWLES

Administrator, Office of Price Administration

NO OTHER agency, with the possible exception of the Office of Civilian Defense, has used volunteers as widely as has the Office of Price Administration. Over 75 per cent of our staff consists of unpaid volunteers. In fact, no other nation, not even those with democratic traditions similar to ours, has used volunteers to the same extent or given them the adjudicative and enforcement powers in the administration of a national—and urgent—government program.

OPA's experience with such extensive volunteer assistance has, I believe, important implications for democratic government and for workers in the field of public administration. The way OPA volunteers were enlisted and the way they have worked to help accomplish an enormously difficult, staggeringly vast war job shows, I think, the strength and value of democratic participation in government.

At the outset, the OPA faced two major problems which made widespread democratic action necessary. First, since both our rationing and our price-control regulations have affected every individual in the nation personally and closely, they could not succeed without acceptance and compliance by the majority of the people themselves. With little or no precedent, prices had to be set and policed for more than eight million items everywhere in the country. Almost one-half billion ration books had to be issued. In one year alone 1,800,000,000 pounds of canning sugar were rationed. Thirty-eight million gas rations were issued in 1944. We had to ration eighteen basic

products, including gasoline for twenty-four million passenger cars. We had to establish rent control for fifteen million rented dwellings.

Second, OPA had to blend centralized policy-making with flexible, decentralized operations. While the same basic ration books were issued to everyone, regardless of age, sex, and occupation, mothers even in the most remote villages had to be able to replace their children's scuffed-out shoes quickly with extra coupons obtained from their local war price and rationing boards. Similarly, essential drivers had to be given larger gasoline allowances than those provided by their "A" books. Grocers, laundrymen, and restaurant keepers in every town and crossroads had to have local guidance and supervision in complying with price regulations.

Problems of such magnitude could be solved only through active, widespread public cooperation—through the help of public-spirited citizens at every level, from local boards up through Washington headquarters.

I

IN WASHINGTON, in order to obtain the advice and cooperation of large groups affected by our regulations, we organized the industry advisory committees, consumer advisory committee, and labor policy committee to lend their help and knowledge to the formulation of national policy. Each of these committees, composed entirely of volunteers, is serviced by paid OPA staff members. OPA regional and district offices have their trade cooperating committees,

which assist in obtaining compliance from trade members with OPA programs. District offices also have agricultural advisory committees, labor advisory committees, consumer advisory committees, and a veterans' relations adviser to help carry out national policy, give advice on local problems, and provide channels for information. At the local level, the local boards, made up almost entirely of unpaid volunteers, have carried the heaviest work load and the greatest responsibility of the entire OPA organization.

Most numerous of OPA's volunteer advisory groups have been the industry advisory committees, organized with the help of the industry relations adviser. Almost 625 such committees (comprising about 7,500 members) cover every industry affected by OPA price regulations. Section 2(a) of the Price Control Act directs the OPA administrator to advise and consult with representatives of industry "so far as practicable" before issuing new regulations. It also requires the administrator to establish industry advisory committees when these are requested by a substantial portion of the regulated industry after the issuance of a regulation. The importance of such committees was underlined by an OPA administrative directive of October, 1943, which stated that no new regulation and no major change can be made without first consulting the advisory committee for the industry, except in instances of great emergency. The final determination of actual ceiling prices is, of course, OPA's responsibility; industry advisory committees assist, suggest, criticize, and advise.

The committee members are selected by the OPA price executive in charge of the particular industry. A careful survey of the entire industry is first made, to reveal its basic characteristics: size, location of firms, number of firms, methods of distribution, etc. Then members are selected on the basis of geographical representation (for example, if one-fifth of an industry is located

in New England, approximately one-fifth of the committee membership is taken from New England firms); size, to represent the same distribution between large, medium, and small businesses as is found in the industry; methods of distribution found in the industry—wholesale, retail, cooperatives, etc.; trade-association membership; and the existence of single- and multiple-product companies. Once the committee members have been chosen they meet and elect a chairman for the committee. Committees' recommendations may include suggestions as to type of regulation, levels to be covered, kinds of accounting and reporting forms, methods of obtaining compliance reports and of acquainting industry with regulations, and formulation of industry pricing patterns, industry production patterns, and marketing methods and channels.

One example of a cooperative, smooth-working committee is the petroleum products industry advisory committee, recently presented with OPA's meritorious award for outstanding service. This committee has met every month during its two-year existence, supplied Washington with valuable information, and helped price control in the industry by disseminating information and interpreting regulations to trade associates—all this in a complex field which has many different pricing formulas, companies, and products. For example, recently a new pressure appliance fuel was introduced, creating a new problem of pricing. The petroleum products industry committee showed that the price should be formulated in the same way as that of 73-octane gas, since the two products are produced in a similar manner and are used for a similar variety of illuminating, heating, and cooking purposes. This is but one of many such instances.

Of course, OPA and its industry advisory committees have not always seen eye-to-eye. Our reconversion pricing program, our ceilings on building materials, and our rent-

control programs, for instance, are recent problems on which there have been vigorous discussions and disagreements. Sometimes hard words have been exchanged across the conference table and through newspaper columns, but, by and large, I believe that the give-and-take between OPA and its industry advisory committees has resulted in much better policy formulation and compliance than would have been the case had OPA issued its regulations without industry's suggestions and criticisms. It has also resulted in a much deeper understanding by industry of price control and rationing problems. Such exchange of views is routine in Congress and in our state and municipal legislative bodies, but it is less familiar in federal or local government agencies. I believe it is a healthy development in the administrative process.

Assisting and advising OPA regional and district offices in their administration and enforcement of regulations are over twelve hundred volunteer trade cooperating committees, located in every regional office and most district offices. These committees, independent of the industry advisory committees, are composed of members of the trade. They distribute materials and information about OPA programs to obtain better compliance, advise the price and rationing departments of OPA in administrative matters, and consult with OPA on methods of uncovering and prosecuting violations.

Important as the industry advisory and trade cooperative committees have been, they will be of increasing importance as reconversion moves into high gear, as old products reappear on the market and new ones are developed. Problems of higher wages and materials, absorption of cost increases, and use of new materials in pre-war products will call for the utmost skill and experience that such committees can give to the OPA in developing price regulations fair to manufacturers and to consumers.

Organized labor, as well as industry, is well represented in a voluntary advisory capacity to OPA. In addition to a labor relations adviser and a national OPA labor policy committee in Washington, there are 105 district labor advisory committees and tens of thousands of members serving on OPA local boards, OPA plant transportation committees, and local cost-of-living committees.

Representing ten to fifteen million union members, the national OPA labor policy committee is composed of six men from each of the major labor organizations—the American Federation of Labor, the Congress of Industrial Organizations, and the Standard Railway Labor Organizations. Meeting regularly with the OPA administrator and other policy-making officials, the committee makes specific recommendations concerning OPA's policies, program, and regulations. Among these recommendations have been the setting of definite dollars-and-cents ceiling prices on essential food items, the placing of restaurant meals under price control, greater production of medium- and low-priced clothing, support for the subsidy program, and stronger rent, price, and rationing controls.

Over sixteen hundred union men and women are now serving on district labor advisory committees, acting in the same capacity at the district level as the labor policy committee in Washington. Recommendations concerning local operations are made to the OPA district director; those covering national policy are referred to the labor policy committee in Washington for further action. Some of the local recommendations have been the rationing of work shoes in industrial areas and the institution of rent control in areas where rents were increasing at a fast pace.

About six thousand labor people nominated by their district labor advisory committees have been appointed as volunteers on local war price and rationing boards. In addition, thousands of union members are

acting as price control panel assistants. Before V-J Day labor members served on about thirty-nine thousand plant transportation committees, reviewing and certifying applications from workers for gasoline and tires, thus relieving local boards of part of their huge work load.

Many local unions have established three-man cost-of-living committees, composed of price-control, rent, rationing, and general information members, to work for more effective price control and rationing. Scores of cost-of-living conferences have been sponsored by local or state labor groups. Discussions between OPA officials and labor leaders have pointed out methods by which labor can make price control more effective and also ways in which labor can help improve the administration of the OPA program.

Organized labor's help has not only meant the extension of participation in policy-making to a major segment of the public but has also given the OPA support in its efforts to hold the line on prices and to distribute available supplies fairly. Through its recommendations, criticisms, and voluntary assistance, organized labor has contributed greatly to our national and local programs.

OPA is the only federal agency with an active consumer advisory committee. In December, 1943, we invited twenty-five national leaders of consumer opinion to organize such a committee as a channel through which consumer needs and consumer reactions to OPA policies could be brought quickly and directly to OPA's attention. Under the consumer relations adviser, this group had a pioneering job to do. While other economic groups were strongly organized, constantly vigilant, and highly vocal, consumers had striven for a united program without a basic organization. Committee members included persons who were leaders in organizations with consumer study programs, teachers of consumer economics, and persons who had served as con-

sumer representatives with business and civic organizations.

What was perhaps more important, at least twenty of these committee members were the principal shoppers for their families and were constantly in touch with the practical, day-to-day problems of buying food, clothing, and household necessities in a changing market.

The committee has met on an average of five times a year. Between meetings, the executive committee constantly studies and makes recommendations on current problems. The consumer committee's recommendations on existing and proposed regulations have been of invaluable aid to the operating departments. It was this committee which repeatedly pressed for more effective measures to meet the critical clothing situation. Further, it has often pointed out weak spots in our price panel and enforcement operations and made constructive proposals for their improvement. The committee has detailed the kind of rationing and price-control policies which are best designed to bring wider consumer understanding and more active consumer participation in local community OPA programs. Through the office of consumer relations adviser, members of the committee have given us frequent reminders of the need for better pricing—in dollar-and-cents terms—of many commodities and services and the need for better quality controls.

Forty district consumer committees fill the same function for district OPA offices that the national committee does for the national office. For example, at a recent meeting of the district consumer committee in Newark, New Jersey, the following recommendations were made: (1) that something be done about up-grading of meat (this resulted in a survey of grade tagging of meat in butcher shops made by price control panel assistants in North Jersey); (2) that OPA print and distribute among consumers small-size ceiling price lists and

that stores be required to post a ceiling list in the window; (3) that price posts be established in large cities so that volunteers would have a more convenient meeting place and be able to operate within a short distance from home (this system was put into operation in Newark with a price-control captain for each ward); (4) that more women be placed on price control panels to give greater consumer representation; (5) that summer seasonal housing be removed from the exempt class.

The cooperation and assistance of farmers with the OPA has been equally necessary and valuable. As a producer of raw materials, the farmer is affected by price and rationing controls in the same manner as a businessman. As a consumer, the farmer must face the rationing and price problems of all consumers.

The agricultural relations adviser in Washington and the seven regional agricultural relations advisers serve as an effective link between farm groups and the OPA. About sixty-five district agricultural advisory committees are now in operation, working closely with district directors and regional agricultural advisers. Meeting monthly, they not only present farm price and rationing problems to the district office but also perform a public relations service in interpreting OPA regulations for fellow farmers.

A typical meeting of a district agricultural advisory committee covers a wide range of problems. At a committee meeting this summer in Green Bay, Wisconsin, with representatives of the OPA district office, one member asked why the price of feed molasses was so low. Another reported he had been overcharged for an automobile radiator. The district price executive promised to check into both questions. An explanation was asked—and given—of the new cheese pricing plans. When one committee member asked if there were a possibility of raising the price of cheese and removing the subsidy, the broad results of such an

action in forcing a rise in the price of butter and fluid milk were pointed out. Another member asked about the correct ration-point procedure for a farmer who slaughters his own cattle and exchanges it with another farmer. The district price executive explained, adding a general discussion of the whole meat-rationing program and pointing out how the farm sale of meat without ration points could defeat it—a particularly difficult issue for OPA at that time.

At about the same time a Maryland agricultural advisory committee was discussing gas rationing, turkey-marketing regulations, sales of farm machinery, markups in vegetable prices, and the distribution of information about the need for anti-inflation controls.

As with the labor advisory committee program, the establishment of agricultural advisory committees has been responsible for a sizable increase in representation of farmers and their families on local war price and rationing boards.

To help meet the special problems of returning veterans, we have established veterans' relations advisers in every regional office and in 90 per cent of our district offices. We are also working toward a goal of at least one veteran on every local board. In addition to helping veterans with the rationing and price control problems in setting up new businesses, the veterans' relations advisers are in close touch with all Army and Navy separation centers, to make sure that newly discharged servicemen are correctly informed.

II

OF ALL the volunteer groups in OPA the largest and most important have been those who served on the 5,556 local price and rationing boards. Manned by over 236,000 unpaid volunteers, these boards covered every community in the country, forming OPA's direct point of contact with the public. Through them 130,000,000 Americans have learned how to live with

rationing and price control. It is the local boards which have had the unpleasant task of translating into terms palatable to their communities regulations which were new, unfamiliar, and irksome. Without these hardworking unpaid volunteers, it would have been impossible for the vast and complicated job of rationing and price control to have been done in this country.

One can get some idea of the work load of local boards from the facts that in June of this year alone board members put in over one million hours of work, that their price panel assistants visit more than five hundred thousand retail stores each month, that they have issued over sixteen million rations each month, and that they handle almost one and a half million price actions every month.

The hectic days following Pearl Harbor witnessed the birth of the local war price and rationing boards. With most of our rubber sources captured by the Japanese, the OPA wired the governors of all states on December 14, 1941, requesting them to set up tire-rationing boards in each county immediately. The call had to be met with unpaid volunteers—with housewives, mechanics, businessmen, school teachers, farmers. All were without experience in such an undertaking. Often, in those first hectic days, the boards had no equipment, telephones, clerical help, or even the simplest of basic regulations. Some local board chairmen set up their offices in space they begged or borrowed. Others used living rooms in their own homes, laying out their own money for office supplies. The Hartford district OPA office, for example, was located in the living room and dining room of an old house. Everything in the office, including the clerks, belonged to the state of Connecticut. New volunteers had to sit on mail bags until chairs could be obtained.

Within twenty-five days after the first call for volunteers, a complete rationing plan had been completed and forms printed and distributed. With little more than

common sense and patriotism to guide them, eight thousand local boards embarked on what eventually became a four-year program, one which constantly became more difficult and more complex. After tires came sugar, and after sugar came gasoline, fuel oil, coffee, processed foods, and meats. The price-control function was given to local boards in March, 1943.

Local boards are now, as they were in the beginning, made up entirely of unpaid volunteers, except for some clerical help. While local boards vary in size and makeup, they have usually been composed of a chairman and an executive committee consisting of the chairmen of the price, rationing, and community service panels. The entire board is responsible to the district OPA office—district board supervisors with jurisdiction over from six to ten boards, who are responsible for supplies, maintenance, quarters, and personnel, approving all board members, whether paid or unpaid. The line of authority runs up through the regional office to the office of board management in Washington. While administrative decisions are made by the various panels, they may be appealed up the administrative line, through the executive committee, district office, regional office, and national headquarters. The exceedingly few cases which have been appealed beyond the entire board, however, testify to the fairness of the panels' decisions and the willingness of the public to abide by them.

Each local board is a cross-section of the community which it serves. Labor, business, housewives, farmers, professional people—all are represented. Not only does this selection of members impart to each one a feeling of actual participation in a democratic undertaking, but it also gives each person applying to the board a conviction that he is being given a fair hearing by his own neighbors who know him and his problems. A citizen may rail against an unseen government official or agency which he feels restricts his liberties, but his protests tend

to soften when he discovers that the regulations are being interpreted and administered by a friend or associate.

All boards had a rationing panel; in order to handle their tremendous work load, boards in big towns and cities set up individual rationing panels for food, shoes, transportation (with gasoline and tire sub-panels), fuel oil, and stoves. Each panel had full authority to grant or withhold commodities—and had also the heavy personal responsibility which accompanied such authority.

For example, in one day the transportation panel of the local board in Rockford, Illinois (composed of an advertising executive, an athletic coach, two auto dealers, a farmer, a dairy superintendent, a union secretary, an office manager, and a manufacturer) granted a public school maintenance man a certificate for a used 1942 auto; granted a telephone lineman his next gasoline ration ahead of time; denied a man extra gasoline for visiting his mother in the hospital because public transportation was available; gave a farm owner more "B" card gas to supervise repairs; gave a teacher more gas because her first ration had been miscalculated; granted a woman gasoline for a trip to fire the furnace of her aged mother who was living alone; denied extra gas to a war worker since he could use public transportation; gave an elevator repair man extra gas for making emergency night calls; issued a new "A" ration book with reduced coupons for a lost one; granted a marine on fifteen-day furlough fifteen gallons of gasoline; gave gasoline to people moving to a farm they had just bought in Wisconsin; denied a salesman extra gas to cover new territory (he already had a "B" ration).

On the same day the food and shoe panel of the Rockford board (consisting of the secretary of a businessmen's club, a retired wholesale grocer, and a housewife) recalculated the points needed by a high-school cafeteria and granted extra ones; gave a supplemental allotment of ration points to

a hotel which fed eleven hundred soldiers in transit; granted a safety-shoe certificate to a mill worker; gave extra shoe rations for two children.

With the present lifting of most rationing programs, the major task of the local boards now is price control. Retail price control is and has been for nearly two and a half years the function of the local board's price control panel, which is set up very much like the rationing panel, and with the same status. Each panel consists of from five to eight members. They hear complaints, hold hearings against alleged price violators, and issue warnings to noncompliers. Small communities usually have only one such panel, but larger cities may have several—restaurant panels, food panels, and so on.

Price control panels are well versed in the art of persuasion. The panel in Magnolia, Arkansas, was faced with an announcement one Friday that the local dry-cleaners had banded together and that they would increase their prices as of the following Monday. Calling a meeting Saturday night, price panel members decided to handle the situation themselves rather than refer it to the district office for action. Armed with a copy of Maximum Price Regulation No. 165 (establishing maximum prices for services) and a magazine story about OPA, the price panel chairman visited each cleaner on Monday morning, explaining the seriousness of breaking price ceilings. He did his job so well that the cleaners not only maintained their ceiling prices but also refused to apply to the district office for a price increase.

A Durham, North Carolina, variety-store operator was charged with violating the ceiling price on fountain pens. When asked by the price panel chairman where he had bought them and how much he had paid, he gave the usual answer, "I don't know." Whereupon the chairman pointed out the need for price control, what would happen if we did not have it, and how he, the retailer, would suffer greatly without its pro-

tection. Impressed, the dealer offered to repay all overcharges he could trace and to make a fifty-dollar contribution to cover those he could not pay directly.

Helping the price panels in their tremendous task of holding the line are price control panel assistants. Many of them are women (forty-two thousand at last count)—housewives and others from every walk of life. The fifteen price control panel assistants of the Rock Island, Illinois, board, for instance, include the wives of a railroad signal repairman, an office worker, a butcher, an ordnance engineer, a machinist, a farmer, a fireman, a purchasing agent, and a machine operator, as well as a Boy Scout director, a defense worker, a radio repairman, and a beauty-shop operator.

Price panel assistants have visited over five hundred thousand retail stores each month, discussing price problems with storekeepers, suggesting methods by which the merchant may more fully comply with price regulations, investigating complaints of overcharges, checking prices, and reporting consistent violators to the price control panel. Their work has been responsible for cutting by 25 per cent in one year the number of food items selling at over ceiling prices. This, at a rough estimate, saved housewives something around a quarter of a billion dollars.

Price control panels had their power strengthened tremendously last year when they were given congressional authority—the first such power ever granted to a voluntary group—to negotiate what is known as an "administrator's suit" to recover overcharges from price violators. This authority will become increasingly useful in combatting inflation during the months that lie ahead.

Attached to most local boards are community service panels. Acting as the informational arm of the OPA at the local level, they have prepared press releases, written radio scripts, and carried on informational activities. Because the major

part of the OPA program is an informational one, because the entire OPA program rests upon the knowledge and appreciation by the public of the facts of rationing and price control, these community service panels have been vital to our operation. At present we have over sixteen thousand community service members in over five thousand board areas throughout the country. We wish we had more of them. Not only do they spread information about OPA's program; they also serve as a sounding-board for complaints and suggestions from the public.

A typical community service panel is composed of representatives of press, radio, men's organizations, women's organizations, schools, and rural, labor, racial or nationality groups. The chairman makes regular reports of the panel's activities to the district information officer and sees that facilities are developed in the local board office for distributing information and materials to the public and for handling inquiries and complaints. Community service panels work constantly with and have been given excellent cooperation by business, professional, labor, and rural groups, civic, social, and religious organizations, youth groups (Boy Scouts, 4-H Clubs, etc.), nationality and racial groups, nutrition and consumer councils, committees, and classes, local, state, and federal agencies, and parent-teacher associations. Again, working through these groups makes for a greater sense of participation in a genuinely democratic movement.

The community service panel in Bangor, Maine, makes use of all information media. Radio is represented by the manager of a popular Maine radio station, the press by two newspaper men, and schools and churches by the superintendent of schools and a minister. Any information not seen by local residents in the donated columns of their two newspapers will be heard on the fifteen minutes of free radio time on Friday nights or brought home on mimeo-

graphed notes by school children. Nonprofessionals are represented, too, such as the housewife who distributes posters to stores or prepares the five-minute information period which most women's clubs in the Bangor area have used in their programs.

Local boards have evidenced considerable ingenuity in handling the many emergencies and difficulties they inevitably faced. When Jerry Waechter, chairman of the local board in Tacoma, Washington, found himself bogged down with a mountain of applications from workers who needed tires to get to their war jobs, he called an emergency meeting of radio stations, school authorities, the mayor, and local newspapers—and fifty citizens a day were immediately recruited to process applications and issue rations. Other boards have given similar proof of their ingenuity to meet emergencies.

When the Missouri River flooded its banks in 1943, when a cyclone struck McKeesport, Pennsylvania, in 1944, and when a hurricane hit Cape Cod last September, members of the local boards worked night and day, issuing emergency rations to rescue workers, new food books to the homeless, shoe certificates to the shoeless, emergency tires and gasoline rations to the evacuees.

Not every local board, of course, is an efficient, smooth-running machine. On the contrary, OPA on several occasions has had to bring into line members of some local boards who were too lenient in enforcing price-control regulations among their neighboring tradesmen or too generous in granting extra rations of war-scarce commodities. A few local boards in large oil-producing areas could see little reason for restricting their neighbors' gas consumption when the oil derricks stood in full view of the board's windows. Other boards have tended to neglect their price-control function in favor of their earlier and, they felt, more important rationing functions. And there have been times when board mem-

bers or aides have not been as courteous or considerate as they might be.

But the overwhelming majority has done the enormously difficult job with fairness and patience and with a wholehearted devotion that is, I believe, the strongest possible tribute to the courage, ability, and democratic integrity of the American people.

The chairman of the board in Sherborn, Massachusetts, has put that feeling admirably in a recent statement:

The members of our board have absolute trust, one in the other. And every member feels that no American citizen approaches the board as an suppliant seeking a favor, but as one good citizen finding out from another good citizen what his fair share of the scarce commodities is. We are here to serve, not to exercise power. And the longer we serve, the greater respect we have for the people we serve.

Neighbors and fellow citizens of board members across the nation have recognized this service. Witness, for example, this letter received by a local board in South Dakota:

When I was up to the rationing office yesterday I was promptly and courteously waited on. . . . I could not help but notice you three fellows sweating it out up there, waiting on everyone, and I really think you deserve a bouquet for the part you are playing in the war effort.

As I understand it, you are working without salary, and are doing what you no doubt consider at times a disagreeable job. I think the people of Sioux Falls owe their gratitude for the valuable service you are rendering.

III

IT is this spirit of the volunteers throughout the OPA that gives, I believe, a lesson in big democracy in action—a lesson which all of us in public administration may well remember and study closely.

It was widely said at the beginning of the war that, with the average American's traditional hostility to government, a program of rationing and price control run in large part by volunteers would break down. But the work of volunteers in the OPA program has proved that Americans will re-

spond to and cooperate with a government program which they understand and in which they have faith. Survey after survey has shown that an overwhelming majority of the people are fervently back of price control and rationing. And almost for the first time in American history groups of citizens have been interpreting government programs and making them work in their own communities. Salaried employees could have been used, but the cost would have been tremendous, and the results far less satisfactory—both as to actual effectiveness of the OPA program and as to the public acceptance of it. It is very largely because of our volunteers that OPA has been able to keep prices generally stable for the last two and a half years. It is largely because of their aid that our economy for the first time

in any war has not been damaged by a serious inflation. And it is certainly owing to their unfailing help that we have been able to distribute scarce goods fairly so that the home front received the gasoline, shoes, tires, and food it needed while our armed forces were unhampered by shortages.

Finally, I believe that OPA volunteers have shown the value and importance of bringing a government program close to the people, allowing them and their neighbors to interpret the program, listen to complaints, and make decisions. This procedure enlists public support and enthusiasm as nothing else will. Most people will always distrust a distant government. If we are to make government really effective, it must be brought close to the people and made to belong to them.

Administration is the capacity of coordinating many, and often conflicting, social energies in a single organism, so adroitly that they shall operate as a unity. This presupposes the power of recognizing a series of relations between numerous special social interests, with all of which no single man can be intimately acquainted. Probably no very highly specialized class can be strong in this intellectual quality because of the intellectual isolation incident to specialization; and yet administration or generalization is not only the faculty upon which social stability rests, but is, possibly, the highest faculty of the human mind.—BROOKS ADAMS, *The Theory of Social Revolution* (Macmillan Company, 1913), pp. 207-8.

Civil Service Reform in France

By FREDERICK GUTHEIM

Sergeant, Military Intelligence Service, A.U.S.

THE sweeping reform of the civil service enacted by the Consultative Assembly June 24 goes far toward removing an intrinsic weakness in French national government, and is a necessary preliminary to further changes that will completely reorganize a bureaucracy fundamentally unaltered for more than half a century. It does not overmagnify the importance of this reform to state that without it France could never expect to deal with the many national and international problems she faces now and will face in the immediate future.

Providing for a drastic shake-up of the higher civil service brackets and an entirely new scheme for recruiting and training future civil servants, the measure begins by attacking the weakness found by the Germans long before 1939. Even before war was declared, fascism had made an irreparable breach in the defense of France by securing large numbers of adherents in such vital branches of the government as the national police service, the bridges and highways department, and the diplomatic service, in many other central administrations, and in the prefectures. Mass disloyalty such as this not only made France militarily weak but destroyed the confidence of the people in government itself—and at the very time that confidence most needed to be sustained. The knowledge they had been betrayed was even more demoralizing to the French than the actual loss of vital military secrets.

Today, disorganized and exhausted by war, occupation, and the ravages of the past six years; timid, distrustful and cynical of government, after what they have so recently experienced; about to undertake

essential works of reconstruction and rebuilding far greater than ever before in her history, France is sorely in need of a strong and capable public service. Without it she can never retrieve her position as a great power in the family of nations, nor can she organize herself internally to accomplish the work that lies before her. Herein lies the importance of the creation of a handful of schools, institutes, and centers and the significance of the apparently simple and trivial changes in the regulations governing the civil service. Here, very likely, is the most important domestic reform of the DeGaulle provisional government.

A distinguishing characteristic of French public administration has been an excessive departmentalization and a sharp division between the clerks and lesser officials and the higher levels of administration. In the great mass undertakings of government, such as the customs and the postal service, French administration has been excellent in the lower branches but inefficient and retarded in the higher levels. The great mass of government employees, the *commis*, have done their work well. The maze of *paperasserie* in which they operate, subject of popular criticism and ridicule since before Balzac wrote *La Bureaucratie*, is not of their creation. The weakness has been at the top, where the lack of training, the absence of modern business management, and a narrow departmental specialization have produced an inefficiency as catastrophic as disloyalty and treason.

The civil service reform is directed mainly at the higher branches of the civil service—the *hauts fonctionnaires*. The plan assumes a fundamental distinction be-

tween those administrative processes involving judgment and discretion and those of execution—a division traditional in the British civil service. This ideal has often been praised in France, and something like it has existed in form, but in practice the actual distinction has been vague: the work of the *hauts fonctionnaires* has been too often indistinguishable from that of clerks, and the corps of higher civil servants has become disproportionately swollen. In each administrative office the decisions requiring responsibility and those of a specialized or technical character will now be clearly separated from routine clerical work. This step is expected to reduce the present number of *hauts fonctionnaires* and is a necessary accompaniment to civil service reform, since it defines the professional sphere of the higher civil service personnel and determines the annual number of trained personnel required.

To prepare men and women for careers in the higher administration, as it is now constituted, new institutions are required. The plan embraces a new course of undergraduate instruction to be given at the University of Paris and in provincial universities; a national graduate school of public administration; and three centers for administrative personnel that will retrain men and women of special aptitude already in the civil service and give "refresher courses." The legislation directs that at least three of the university institutes of administration and the national school of administration be inaugurated in the fall of 1945; the three centers will open during the academic year 1945-46. This prompt beginning will attract many young Frenchmen who are now being demobilized or returning from captivity or deportation.

The institutes of administration will be established in the universities at Paris, Strasbourg, Lyons, Toulouse, and Algiers. They will give a normal undergraduate course and offer a degree in public administration. The institutes will correct the

underemphasis of the social sciences that has long prevailed in French higher education. In addition to preparing students for the competitive examination for admission to the national school of administration, they will also greatly improve the standard of personnel available for municipal and local administration. The French are aware that the institutes must not degenerate into mere cramming schools for the competitive examinations; and it is likewise acknowledged that if the new schools are to compete successfully with other liberal arts courses for the best students they cannot offer too specialized a course. Consequently a broad liberal arts base, concentration in the social sciences, and certain fundamental "tool courses" (languages, law, statistics, management) are indicated as the most likely curriculum.

Every effort will also be made to create a community of scholarship. The students admitted to the institutes will be given free board and lodging in residence halls or, where this is not possible, payments to cover the necessary expenses. This plan is designed to remove those barriers to the highest careers in the public service raised by wealth and place of residence and to enlist the most capable men and women of whatever social status in the national service.

During the debates on this measure in the Assembly much attention was given the future position of the famous *École Libre des Sciences Politiques*, nominally part of the University of Paris but actually financed by the *Comité des Forges* and other notorious corporations, whose graduates now fill most of the higher administrative positions. It seems plain that the resources of the "SciencesPo"—its buildings, library and staff—will be employed in the new program, although the institution itself, as André Siegfried has suggested, may limit itself in the future to the governmental problems of the Paris metropolitan area. Certainly, despite the prestige of the school,

the record of its disloyal graduates is too bad and the hostility to the school too great to permit it to play any role in the new order. The French have definitely decided that the sons of wealthy Paris families, educated according to the outmoded tenets of nineteenth-century Manchester economics, do not form a suitable body of public servants.

Entrance to the national school of administration will be exclusively from open competitive examinations, and after two or three years in the school further competitive examinations will determine which candidates will continue into positions in the central administrations and services of the national government and certain foreign or departmental administrations. The school is specifically charged with insuring the professional standards and ethics of civil servants. Beyond this legislative directive little is determined as yet concerning its ultimate character. However, it is recognized that there exists a substantial body of administrative practices and legislation common to all departments and services that can be taught to students of administration, regardless of the particular branch in which they may eventually serve. A further indication that the instruction will be kept general is the official statement that to counteract premature and excessive tendencies toward specialization there should be specific inducements to encourage service in more than one department; in particular, it is suggested that just before or just after the first advancement in grade the young civil servant should be required to pass a certain time in another service or administration.

A prime difficulty in developing general administrators in France is the tangle of specialized careers that have grown up in the jealously individualistic departments and ministries. To change this situation suddenly would jeopardize unjustly the careers of thousands of civil servants, sacrificing their talents at a time when they can

hardly be spared. To avoid such an upheaval, not only will the new administrators from the schools be introduced into the service as a specially designated group without immediate disruption to present career services, but measures are being taken to retrain many of those specialists now in the public service who show special aptitude for general administration. This is the main function of the new centers of administrative studies.

Three such centers have been provided, and additional centers may be established in the future. For the present, there will be a center of administrative studies; a center for imperial studies; and a center of economics. The first will be mainly concerned with finding and training promising civil servants for positions of wider responsibility, not by giving them a kind of "general staff school" training but by providing a broader knowledge of current problems and a general perspective of the duties and responsibilities of higher administration to supplement and counteract overspecialization. In a few years it will be almost impossible for anyone to hold a high general administrative position who has not passed through one of the centers or graduated from the national school of administration.

The object of the center for imperial studies is also to encourage a broader approach, although the program as a whole is smaller and with more limited objectives. Imperial civil servants are to be taught the "big picture" of the empire, thus counteracting the natural specializing influence of their work and, in many cases, their geographical limitations.

The center for economics, again, will try to produce administrators who are able to relate the specialized aspects of economic control and the operation of large national enterprises to a larger, more integrated view of the economy as a whole.

These comprehensive reform measures are mainly the work of Robert Debré, son of a famous pediatrician, thirty-three years

old, and one of the hopes of the new administration. He was educated in the normal way of the best French civil servants: *lycée, Faculté de Droit, École des Sciences Politiques*, from which he was graduated in 1931. During the occupation he became a leader in the underground movement and took charge of the work of selecting the local officials who were to assume power immediately after the liberation. Later he served as commissioner of Anvers. Today he is a member of the *Conseil d'État*. Debré's *nom de résistance*—or, rather, one of them—was Jacquier Bruyere, and under that name he has recently published a book, *Refaire la France*, an encyclopedia of reform understandably subtitled *L'Effort d'une génération*. Perhaps it is no accident that one of Debré's strongest supporters in the debates on this measure was Pierre Cot,

a man who suffered as much as anyone from contumacy of the French civil service when he was minister for air, and who spent much of his time during the occupation in the United States, where he was in close contact with American administrators and political scientists.

Of this comprehensive revamping of the French civil service, the cumulative effect seems clear. It aims to make the civil service more democratic and to enlist in the public service the best talent of France, regardless of social status. It strengthens the civil service where it is weakest: at the top, among the general administrators. Its professed aim is to create a civil service of superior loyalty and responsibility, a stronger and more reliable instrument for democratic government in executing the will of the people.

But Sir Gregory could not at all get the third king into his pocket. This gentleman was a worthy clergyman from Cambridge, one Mr. Jobbles by name. Mr. Jobbles had for many years been examining undergraduates for little goes and great goes, and had passed his life in putting posing questions, in detecting ignorance by viva voce scrutiny, and eliciting learning by printed papers. He, by a stupendous effort of his mathematical mind, had divided the adult British male world into classes and sub-classes, and could tell at a moment's notice how long it would take him to examine them all. His soul panted for the work. Every man should, he thought, be made to pass through some "go." The greengrocer's boy should not carry out cabbages unless his fitness for cabbage-carrying had been ascertained, and till it had also been ascertained that no other boy, ambitious of the preferment, would carry them better. Difficulty! There was no difficulty. Could not he, Jobbles, get through 5,000 viva voces in every five hours—that is, with due assistance? and would not 55,000 printed papers, containing 555,000 questions, be getting themselves answered at the same time, with more or less precision?

So now Mr. Jobbles was about to try his huge plan by a small commencement.—ANTHONY TROLLOPE, *The Three Clerks* (Oxford University Press, 1929; first published in 1858), pp. 127–28.

The Secretariat of the United Nations

By JOHN W. MASLAND

Associate Professor of Political Science, Stanford University

DURING the United Nations Conference on International Organization and in the discussions of its accomplishments which have followed, certain of the more controversial features of the Charter, such as the voting procedure of the Security Council, have drawn public attention. Other features of far-reaching importance which were discussed at San Francisco have evoked little comment. One of these concerns the establishment of the Secretariat of the Organization, provided in Chapter XV of the Charter. Ambassador L. B. Pearson of Canada, one of the principal figures in the committee discussions leading to the final approval of Chapter XV, told his colleagues in his concluding remarks that these provisions "may prove to be of greater consequence in the development of international cooperation than certain other more exciting and controversial paragraphs of our Charter. We have, in fact, drawn up a Charter for an international civil service, and done it in such a way as to insure, insofar as we can by written provisions, that this service will be based on the independence, integrity and efficiency of its members."¹

The Dumbarton Oaks Proposals, drawn up by the sponsoring governments of the United States, the United Kingdom, the Soviet Union, and China, contained three paragraphs relating to the Secretariat, as follows:

1. There should be a Secretariat comprising a Secretary-General and such staff as may be required. The Secretary-General should be the chief admin-

istrative officer of the Organization. He should be elected by the General Assembly, on recommendation of the Security Council, for such term and under such conditions as are specified in the Charter.

2. The Secretary-General should act in that capacity in all meetings of the General Assembly, of the Security Council, and of the Economic and Social Council and should make an annual report to the General Assembly on the work of the Organization.

3. The Secretary-General should have the right to bring to the attention of the Security Council any matter which in his opinion may threaten international peace and security.

The first two paragraphs are somewhat similar to Article 6 of the Covenant of the League of Nations. The third paragraph introduces a new concept of the role of the secretary-general in an international body.

The San Francisco Conference expanded these three paragraphs into five articles of the new Charter. In large measure the expansion was brought about by the representatives of certain of the small powers. It is well known that these powers had many serious misgivings about features of the Charter which they feared might result in complete domination of the Organization by the big powers. Consequently, they made every effort at the conference to strengthen those organs or arrangements which they felt might serve the interests of the small states. Thus they worked together for more specific economic and social cooperation and, in the case which we shall examine in this article, for an independent and effective Secretariat.

The Dumbarton Oaks Proposals, which formed the agenda of the San Francisco Conference, were divided among twelve technical committees for purposes of discussion and decision. Each of the fifty delega-

¹ This and other quotations, as well as the general factual framework for this discussion, are drawn from the published documents of the UNCIO, specifically Nos. 2, 42, 191, 328, 375, 440, 538, 574, 627, 720, 732, 762, 789, 933, 956, 974, 975, 984, 1072, 1087, 1159, 1167, and 1186, and the unpublished minutes of Subcommittee I/2/D.

tions in attendance was represented on each of these committees. The question of the Secretariat was assigned to Committee I/2, the second committee of the first commission. Of its members, those most active in the consideration of provisions relating to the Secretariat included L. B. Pearson of Canada, whose remarks have already been quoted, Adrian Pelt of the Netherlands, J. V. Wilson of New Zealand, Henri Rolin of Belgium, Constantine Goulimis of Greece, S. K. Tsarapkin of the Soviet Union, and Harley A. Notter of the United States.

I

PROVISIONS relating to the Secretary-General were the center of marked disagreement between the large and small powers. The differences arose not over the wide authority contemplated for this officer but over the proper means of assuring his absolute independence and integrity. The representatives of the small powers expressed the fear that he might become an instrument of the big powers or, worse still, an issue of contention among them. They were suspicious of certain proposals which were made by the delegates of the big powers. Final agreement on the Secretary-General was possible only after the issue was removed from the technical committee and straightened out at the highest level of the conference.

Early in the conference the technical committee which handled provisions in the Charter relating to the structure and procedures of the General Assembly voted that the Secretary-General should be elected by the General Assembly upon recommendation of a majority of any seven of the eleven members of the Security Council. In making this decision, the committee rebuked the sponsoring powers, whose delegates declared that the recommendation should be by majority vote, including the unanimous agreement of the five permanent members of the Council. The Soviet delegate, in particular, contended that the decision was contrary to the agreement made at Yalta

requiring the unanimity of the five permanent members in substantive decisions of the Security Council. Nevertheless, the decision was allowed to stand for several weeks, and Committee I/2 proceeded to the term of office and eligibility for reelection of the Secretary-General. The Dumbarton Oaks Proposals had contained nothing on these matters, and a British white paper circulated before the conference in support of the proposals had explained that the omission was intentional, permitting greater flexibility and leaving the matter to the determination of the Security Council and the General Assembly. Among the twenty-seven amendments to the original proposals submitted by the sponsoring powers during the second week of the conference, however, was one amendment calling for a three-year term of office, with eligibility for reelection. Although it was understood at San Francisco that the Soviet delegation requested this revision, representatives of the United Kingdom and the United States gave it their strong support in the deliberations which followed.

The three-year term aroused stiff opposition on the part of certain of the small powers. Their representatives opposed any reference in the Charter to the term of office and argued that the Organization should not be bound by the Charter in this matter and that the General Assembly should be free to determine the length of office as conditions warranted. If any term were to be fixed, it should be considerably longer than three years. The principal bone of contention, however, was the feeling on the part of the small powers that the three-year term would destroy the independence of the Secretary-General, forcing him to look ahead to reelection and to play politics while in office.

The delegates of the United Kingdom, the United States, and the Soviet Union likewise stressed the importance of securing the best possible man for the position, but

suggested that the short term was essential to eliminate the possibility of the Organization's being saddled with an individual who did not live up to expectations. They declared that the three-year term associated with eligibility for reelection provided an adequate method of attracting outstanding candidates for the position.

In the first vote of the technical committee on this issue the views of the sponsoring powers prevailed, and the three-year term with eligibility for reelection was adopted by the required two-thirds vote. Subsequently, however, the so-called "veto" issue was fought and won by the sponsoring powers in another committee of the conference, after long and troublesome delay. The Soviet delegation, acting in accordance with conference procedure, then requested the executive and steering committees to reopen the earlier decision that the Secretary-General should be elected by the General Assembly upon the recommendation of any seven members of the Security Council. The steering committee, without doubt acting as the result of a decision reached within the inner circle of the sponsoring powers, passed the question along to the technical committee on the structure and procedures of the Security Council—the committee which already had accepted the Yalta voting formula. Once again the sponsoring powers presented the arguments for unanimity among the big five. They contended that it was vital that the Secretary-General have the full confidence of those members of the Organization which would be especially responsible for the maintenance of the Security Council. It would be impossible, they suggested, to secure the services of an outstanding man unless he were assured the support of all of these members. Having already accepted the Yalta formula, the technical committee unanimously ruled that it applied to the nomination of the Secretary-General.

In view of this new situation applying the veto to the election of the Secretary-Gen-

eral, the Netherlands delegation, supported by the Australian, Belgian, Canadian, and New Zealand delegations, proposed that the earlier decision of Committee I/2 providing for a three-year term of office be rescinded and that the committee accept the original Dumbarton Oaks text—that is, make no reference in the Charter to the term of office and eligibility for reelection. The Netherlands delegate declared that in view of the short term of office of the Secretary-General and the necessity for unanimous agreement by the permanent members of the Security Council for his reelection, there was danger that he would have to exercise such tact toward the permanent members that common sense, courage, and integrity would be sacrificed or that he would be forced to leave office at a time when his experience would be most useful to the Organization. The Netherlands delegate suggested that the determination of the term of office might be left as a matter of agreement between the Security Council and the General Assembly. It was understood by the technical committee that the unanimity of the permanent members of the Security Council would be required in the decision of the Council on this matter. The Netherlands delegate also proposed that the word "appointed" be substituted for "elected" in the language of the text, in order to emphasize the administrative nature of the Secretary-General's office. The committee then reversed its former acceptance of the three-year term, and approved, with only one adverse vote and two abstentions, the following text:

The Secretary-General shall be appointed by the General Assembly, on recommendation of the Security Council.

The final acceptance of this language represented a compromise between the large and small powers. The former won out on their persistent claim that the unanimous agreement of the permanent members of the Council would be necessary for the

nomination of the Secretary-General. But they yielded to the demand of the small powers that no provision be made in the Charter for the term of office and in so doing were defeated on their proposal of a three-year term.

II

THE article of the Charter defining the functions of the Secretary-General caused no difficulty at San Francisco. This article, number 98, reads as follows:

The Secretary-General shall act in that capacity in all meetings of the General Assembly, of the Security Council, of the Economic and Social Council, and of the Trusteeship Council, and shall perform such other functions as are entrusted to him by these organs. The Secretary-General shall make an annual report to the General Assembly on the work of the Organization.

The words "and shall perform such other functions as are entrusted to him by these organs" were not included in the Dumbarton Oaks Proposals; they were added upon the suggestion of the American and Greek representatives by the subcommittee which considered the provisions relating to the Secretariat. The Mexican and Philippine Commonwealth delegations had proposed that the registration of treaties and other agreements made between members of the Organization should be listed among the functions of the Secretary-General. Members of the subcommittee and of the technical committee felt that unnecessary complications would arise if an attempt were made to specify in the Charter all the functions of the Secretary-General, but that the desired arrangements would be accomplished by the use of broad language in this article. The committee likewise was in agreement that the Secretary-General could depute the duties covered by this article to subordinate officials.

III

THE San Francisco Charter grants to the Secretary-General far greater authority than was possessed by his counterpart in

the League of Nations, which may well enable him to play an important part in the operation of international relations. This added authority, as noted above, was included in the Dumbarton Oaks Proposals and is defined in Article 99 of the Charter, which provides that:

The Secretary-General may bring to the attention of the Security Council any matter which in his opinion might threaten the maintenance of international peace and security.

This article, by reason of its broad implications, was the object of careful scrutiny at the conference. During the subcommittee deliberations the American delegate explained at length his understanding of its meaning, suggesting that the Secretary-General should be a man of broad background and experience in international affairs, who would be able to exercise this "political" function with the skill of a moderator. He suggested that the Secretary-General should be such a man as to command the full confidence of the delegates on the Security Council, to whom they could express their inner feelings and motives in a way which they could not express publicly at Council meetings. Thus the Secretary-General would be able to smooth over difficulties and render great assistance in bringing together parties to disputes. As the American delegate explained this function, it was clear that in framing Article 99 the sponsoring powers foresaw that the Secretary-General would perform a political function—a role quite beyond the purely administrative position which representatives of the small powers stress in other connections. Nevertheless, the small powers expressed agreement with the article, and several of them attempted to broaden it.

One such attempt was made by the delegate of Costa Rica, who suggested that the Secretary-General should have the duty rather than merely the right to bring matters to the attention of the Security Council. Other delegates pointed out, however, that the article imposed upon the Secretary-

General a very onerous task, which should be exercised at his personal discretion in the light of circumstances rather than forced upon him as a duty. The Costa Rican proposal did not come to a vote.

The Venezuelan delegation proposed a revision of Article 99 to permit the Secretary-General to bring matters to the attention of the General Assembly as well as the Security Council. This proposal aroused the strong opposition of the big powers, who declared that it was contrary to the fundamental relationship between the Security Council and the General Assembly and that, moreover, it would place the Secretary-General in the difficult position of having to decide between the Security Council and the General Assembly in presenting matters concerning international peace and security. The committee rejected the Venezuelan proposal by a vote of 18 to 11.

An even more far-reaching revision of this article was proposed by the Uruguayan delegation. It proposed that, in addition to matters which in his opinion might threaten international peace and security, the Secretary-General should bring to the attention of the Security Council any matters which constitute an infringement or violation of the Charter. In presenting this revision, the Uruguayan delegate contended that there should be some means by which certain actions by a state within its own domestic jurisdiction, such as maltreatment of minorities, which would not under ordinary procedure be brought to the attention of the international organization, should be so brought by the Secretary-General. Delegates opposing the proposal, particularly those representing the big powers, contended that as in the case of the Venezuelan proposition, this arrangement would place too heavy a burden upon the Secretary-General. The proposal was defeated by a vote of 16 to 13.

The most controversial issue relating to the Secretariat concerned deputy secretaries-

general, and here again the large and small powers found themselves in disagreement. The Dumbarton Oaks Proposals contained no reference to deputies. At the request of the Soviet Union, however, the sponsoring powers proposed among the twenty-seven amendments which they offered to the conference that there should be specific provision in the Charter for four deputies, to be elected by the General Assembly upon recommendation of the Security Council, for a period of three years. During the course of debate the Soviet delegate proposed that the number of deputies called for in the amendment be raised from four to five.

The debate on the deputies generated considerable heat, and, as in the case of the method of election of the Secretary-General, agreement was reached only after the highest organs of the conference entered the picture. Disagreement centered upon two issues: first, whether there should be provision for deputies at all; second, if provision were made, whether the deputies should be elected by the General Assembly.

The Soviet, American, and British delegates presented the case for provision for deputies in the Charter. They stressed the importance of new functions to be handled by the Organization, such as those in the field of economic and social cooperation, and argued that the work of the Secretariat in carrying out these functions would require five deputies—one to act as alternate for the Secretary-General and one to serve each of the four principal organs (the fifth principal organ, the Trusteeship Council, was added at a later stage in the conference). They stated also that provision in the Charter for deputies would add to the international prestige of the Secretariat.

The delegates of New Zealand, the Netherlands, and Canada led the fight against provision for deputies. They contended that it was impossible to foresee the needs of the Organization with regard to deputies and suggested that the General

Assembly would be the proper organ to determine these needs and to alter the number of deputies as required in the future.

Provision for deputies might not have aroused the strong opposition of the small powers had there been no proposal relating to their election and term of office; but the proposal of the sponsoring powers provided for election by the General Assembly upon nomination by the Security Council, for a three-year term. Consequently the small powers were fearful of big power domination of the deputies for the same reasons which had led them to oppose the same method of election and the short term for the Secretary-General. The arguments of the sponsoring powers about the need for deputies fell on deaf ears. What they were concerned about—and they said so quite openly—was that the deputies would be controlled by the permanent members of the Security Council—the big powers. The original number of four deputies in particular aroused the suspicion that the five principal offices of the Secretariat, the Secretary-General and the four deputies, would be held by nationals of the five big powers. Under such circumstances the independence and integrity of the Secretariat would be destroyed. The Soviet and American delegates denied that such would be the case, and the Soviet delegate at this point in the discussion proposed that the number of deputies be increased from four to five to allay the fears of the small powers. The Soviet delegate also proposed that the deputies, as well as the Secretary-General, should be eligible for reelection.

The delegates of the small powers declared also that separate election of the deputies would not be conducive to the administrative efficiency of the Secretariat. They pointed out that if the deputies were elected by the General Assembly, they would not be responsible to the Secretary-General, who consequently would experience extreme difficulty in carrying out the duties assigned to him under the Charter.

Decisions on important administrative matters would have to be taken by a committee of five officers. The alternative, which they favored, was for appointment of his deputies by the Secretary-General himself under conditions established by the General Assembly and the Security Council.

After prolonged debate on the question, the New Zealand delegate proposed that a vote be taken on the proposition that no references be made in the Charter to deputy secretaries-general. Unfortunately, in the light of the controversy over procedure which followed, the chairman, in placing the motion before the committee, asked the committee to vote on referring in the Charter to deputies, thus reversing the original New Zealand motion. The committee voted 15 for to 13 against specific reference in the Charter to deputies. Following this vote there was prolonged and acrimonious discussion concerning its meaning. Subsequently Senator Henri Rolin of Belgium, who was serving as acting chairman at the time, ruled that the motion had been lost, since it did not secure the two-thirds majority required on all substantive questions.

In view of the uncertainty of the vote on the deputies, the Soviet delegation referred the question to the executive and steering committees, as they had done with the method of election of the Secretary-General. The steering committee returned the question to the technical committee and ordered that committee to vote on the specific proposal of the Soviet delegation to provide in the Charter for five deputy secretaries-general.¹ The technical com-

¹ The reference of this question back to the technical committee for its decision represented a victory for the small powers. According to the rules of the conference originally drawn up by the secretariat, the steering committee was empowered to consider "any major policy or procedure question submitted to it during the Conference by . . . the Chairman of any Delegation." The executive committee could "make recommendations to the Steering Committee for its consideration and [could] otherwise assist the Steering Committee as the latter might authorize." It is believed to have been the intent of the sponsoring powers that decisions of the technical committees would be overruled where expedient by the executive and steering committees.

mittee voted accordingly, and the proposal failed to secure the necessary two-thirds majority, the vote being 20 for to 19 against. The original proposal of the sponsoring powers for four deputies likewise failed to secure a two-thirds majority, the vote being 22 for to 18 against.

The Soviet delegate, after this vote, reserved the right to reopen once again the question of the deputies in the session of the commission, but this right was not exercised. At a later meeting of the technical committee, however, the Soviet delegate made a final effort to secure a provision in the Charter for deputies. He proposed that the first two sentences of Article 97 be altered to read:

The Secretariat shall comprise a Secretary-General, *deputies* and such staff as the Organization may require. The Secretary-General and his *deputies* shall be elected by the General Assembly upon the recommendation of the Security Council.

This last proposal of the Soviet delegation was supported by the Ukrainian delegate, who introduced a new argument not before presented in the discussion of the deputies. He stated that in his view the principal officers of the Secretariat would be not experts or officials but politicians, who would constitute a kind of cabinet. Acceptance of the Soviet proposal that there should be deputies would provide for representation of the small and medium powers in this cabinet. The proposal was defeated by a vote of 12 for to 24 against.

IV

THE Dumbarton Oaks Proposals contained no provisions concerning such features as the independence, international character, and standards of recruitment of the Secretariat. Numerous delegations at the conference felt that specific guarantees for the protection of the Secretariat should be included in the Charter. The problem,

but the protests of the small powers, in particular those of Senator Rolin of Belgium and Mr. Evatt of Australia, prevented the operation of this procedure.

as Senator Rolin of Belgium summed it up, was to "make very clear that the Secretary-General [and the Secretariat] would be international official[s] in the full meaning of the word; that he [they] would not be dependent either upon his [their] own country's government, or upon the big powers, or even upon the Security Council, but that he [they] would have to act according to his [their] convictions and duties as defined in the Charter."

Specific amendments designed to meet these needs were submitted to the conference by the Canadian and New Zealand delegations. In answer to this situation, the sponsoring powers themselves proposed an amendment to the Dumbarton Oaks document, similar to but less detailed than the Canadian and New Zealand amendments. The suggestions from these three sources formed the basis of Articles 100 and 101 of the Charter.

Article 100, as unanimously approved, reads as follows:

1. In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any government or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization.

2. Each Member of the United Nations undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities.

This amendment includes language drawn from the amendments of New Zealand and the sponsoring powers, plus additional provisions suggested by Canada. It was pointed out that certain of these matters were covered in staff regulations of the secretariat of the League of Nations and that they presumably would be covered in a similar fashion by the new Organization. It was generally agreed by the technical committee, however, that inclusion of these provisions in the Charter of the United Nations would be of assistance to the Gen-

eral Assembly in laying down further regulations, and that they would greatly strengthen the position of the Secretariat. It was suggested by several delegates that the absence of such provisions in the Covenant weakened the secretariat of the League.

The delegate of Greece during the subcommittee discussions raised several interesting questions in connection with paragraph 2 of this article. He asked first whether the paragraph covered the risk which might be faced by a member of the Secretariat as the result of taking an oath of allegiance to the Organization. He pointed out that certain states provide that a citizen may be deprived of his nationality if he should declare allegiance to another sovereign. In answer to this question it was recalled that there had been no practical difficulty in this matter in the experience of the League of Nations. The Greek delegate raised also the question whether the paragraph covered the case of a member of the Secretariat serving the military staff committee or some other agency of the Organization who participated in the preparation of military plans for possible use by the Organization against his own state. He suggested that if the individual were to become aware of such plans, he might be liable to heavy penalty under the laws of his own state for failure to reveal these plans to his government. Similarly, the Greek delegate asked whether members of the Secretariat would be liable for military service to their own states.

The subcommittee dealing with the Secretariat referred these questions to the technical committee which was concerned with privileges and immunities of the Organization. This committee agreed that it would be superfluous to specify in the Charter the privileges and immunities respect for which is imposed upon member states. Article 105, paragraph 2, drafted by this committee, provides that:

Representatives of the Members of the United

Nations and officials of the Organization shall . . . enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organization.

Paragraph 3 empowers the General Assembly to "make recommendations with a view to determining the details of application" of this provision, or to "propose conventions to the Members of the United Nations for this purpose."

V

ARTICLE 101 of the Charter caused some difficulty in the technical committee. This article provides that:

1. The staff shall be appointed by the Secretary-General under regulations established by the General Assembly.

2. Appropriate staffs shall be permanently assigned to the Economic and Social Council, the Trusteeship Council, and, as required, to other organs of the United Nations. These staffs shall form a part of the Secretariat.

3. The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

The wording of the first and third paragraphs of this article is derived from the Canadian proposal. The word "appointed" in the first paragraph was substituted for "elected" upon the suggestion of the Netherlands delegate. In presenting these paragraphs the Canadian delegate pointed out that they were based upon past international experience and that they were similar to various international instruments establishing organizations accepted by many of the United Nations, such as the constitution of the Food and Agriculture Organization of the United Nations and the Bretton Woods documents. The Soviet delegate contended, however, that this paragraph was concerned with minor technical details which should not appear in the Charter. He was supported by the delegate of the Ukraine, who took the occasion to raise

again the issue of the deputy secretaries-general. He suggested that if provision for deputies was not to be included in the Charter, there was even less reason for including these paragraphs concerning the lesser staff of the Secretariat.

The great majority of the technical committee was agreed that there was a place in the Charter for these paragraphs, since they were concerned with matters of principle rather than detail. They would guide the General Assembly in establishing the detailed regulations concerning the staff of the Secretariat. The first and third paragraphs were accepted accordingly by a vote of 26 to 6.

Paragraph 2 of Article 101 was inserted a few days before the conclusion of the conference by the coordination committee—a group of experts representing fourteen delegations, including the sponsoring powers and France, who were responsible for final review of the whole Charter. During the discussions of Article 101 by the technical committee the Soviet delegate had suggested that the staffs serving the functional organs of the United Nations would not be included within the Secretariat. This paragraph makes it absolutely certain that "these staffs shall form a part of the Secretariat."

One of the most persistent minor themes of the conference was the campaign of the women delegates of several of the Latin American countries and Australia to guarantee that women could participate in the activities of the Organization on a basis of equality with men. The success of their efforts is represented in Article 8 of the Charter, which provides that:

The United Nations shall place no restrictions on the eligibility of men and women to participate in any capacity and under conditions of equality in its principal and subsidiary organs.

The women delegates had proposed to in-

clude a similar provision in the chapter dealing with the Secretariat, but they were assured by the technical committee that positions in the Secretariat would be open to men and women on an equal basis by reason of Article 8.

VI

A SUMMARY of these discussions on the Secretariat at the United Nations Conference in San Francisco indicates the division between the big and small powers which revealed itself in other connections as well. In this case the big powers insisted that they retain the power to veto the nomination of the Secretary-General; in this they were successful. The big powers, following the lead of the Soviet Union, insisted that specific provision be made in the Charter for deputy secretaries-general; in this they were unsuccessful. The small powers, for their part, were able to write into the Charter specific principles concerning the international status, independence, and organization of the Secretariat. It will be noted that compromise between the big and small powers was possible, however. Having been successful in the application of the unanimity rule to the nomination of the Secretary-General, the big powers did not press for the three-year term of office and accepted defeat on the matter of the deputies. And they agreeably supported the Canadian and New Zealand endeavors to provide adequate guarantees for the independence of the Secretariat. In conclusion, it is seen that the area of agreement among all delegations, from big and small powers alike, was greater and more significant than the areas of disagreement. All were united in their endeavors to see to it, as Lord Cranborne of the United Kingdom delegation remarked, "that the Organization gets nothing but the very best in the way of international public service."

Labor Unions and Collective Bargaining in Government Agencies

A PANEL DISCUSSION

THERE is no unanimously accepted answer to the question of what the role of labor unions in government agencies should be. Nevertheless, it is of considerable interest to have stated the views of persons who are concerned in their everyday work with this aspect of public administration. The following discussion sets forth the views of three men who are responsible officials of unions of governmental employees and two men who stand in the role of "employer" in important governmental agencies. The viewpoints expressed are solely those of the participants and are in no way expressions of official attitudes or policies of the organizations with which they are connected.

The discussion took place on March 27, 1945, before the Chicago Chapter of the American Society for Public Administration. The members of the panel were: James W. Errant, executive secretary, Municipal Employees Society of Chicago, chairman; Samuel C. Bernstein, commissioner of placement and unemployment compensation, State of Illinois; George Cervenka, president, National Federation of Post Office Clerks, AF of L; Jack M. Elkin, president, Chicago Local No. 13, United Federal Workers of America, CIO; and Edgar L. Warren, chairman, Sixth Regional War Labor Board.

The transcript of the full discussion has been edited by Dean John Day Larkin of the Illinois Institute of Technology.

CHAIRMAN ERRANT: We in the public service are interested in the efficient operation of the administrative machine; any movement tending in that direction should be given serious consideration. The objectives of the civil service unions are handling grievances, improving wages and working conditions, protecting and promoting merit systems and pension systems, engaging in welfare activity for the benefit of union members, sponsoring in-service training programs, and, finally, professionalizing the civil service for the improvement of administration.

In order to limit our discussion, let us agree that public employees have the right to join unions and to be represented collectively through leaders of their own choosing. If we so agree, we should confine our discussion to those matters involving civil service unionism which may be open to question.

First of all, is the neutrality of government employees, particularly in agencies which deal with employer-employee relations [such as the NLRB or the NWLB] endangered by membership of these employees in labor unions?

MR. WARREN: The way that question is put, my answer would be definitely "No." I should amplify that some to say that, in those agencies which deal with labor disputes and jurisdictional questions, in my opinion the public feeling would be that if the employees are members of unions, such unions should not be affiliated with any of the major labor organizations—especially one having problems before that agency.

MR. ELKIN: It is proper to put this in its real perspective and note that the problem is a minor one, considering the government service as a whole. There are few government departments involved in adjudicating

cases between rival unions. Even in that small realm we feel that the item of neutrality is exaggerated. Our organization claims that no case has ever been brought forward in which government employees holding membership in a union were affected by that membership in making a decision on policy. There is a dangerous precedent to be established in insisting on neutrality. While a man may not be a member of the union, one of his family may, and then the charge may be made that he is sympathetic to a particular union because of his family connection. If he is not a union man, then the charge can be made that he is, therefore, antiunion. So, we feel that these cases should be considered on their merits. If a man is a government employee, he accepts his job in good faith; if he violates his trust, there are ample remedies. You don't have to restrict his joining a union.

MR. BERNSTEIN: Until we get a greater public acceptance of the attitude expressed by Mr. Elkin, I would be reluctant to state that governmental agencies of the type of Mr. Warren's should have full organizational representation which would involve clashes between the two large labor union organizations. There is not any difficulty with respect to a union which is not affiliated with either side. It need not be a "company union"—meaning one dominated by the powers that be within the organization—but one with the usual attributes of a bona fide labor organization. This would be a lot more sensible in an agency such as the NLRB or the NWLB than one affiliated with one of the two national organizations.

MR. CERVENKA: I take the position that employees of a policy-making body should be neutral. If you have them belonging to one particular faction, you may have prejudiced orders and directives. Recently, charges have been made by the AF of L that some of the federal agencies have been controlled by the CIO. We take the position that such organizations should not be

controlled by either AF of L or CIO; they should be absolutely neutral.

MR. WARREN: I would like to emphasize again that the question is a much larger one than our discussion thus far would indicate. The question is: "Is the neutrality of government employees endangered by membership of these employees in labor unions?" I still think the answer is definitely "No," if we except the small segment of government employees who deal with labor relations problems.

MR. ELKIN: You cannot guarantee neutrality by preventing a man from joining a union of his choice. A man joins a union because he has the general problem of wages, hours, working conditions, pay raises, promotions, and such. These problems are common to government employees in all agencies. The employee joins a union to find a solution to these problems. He would object to the charge that he ought not to join a union just because he happens to be in a particular job that requires adjudication between rival organizations. He might say, "Well, my sympathies are already established, and keeping me from joining a union is not going to guarantee my neutrality. Other remedies to insure neutrality already exist without instituting a system of thought-policing."

CHAIRMAN: Let us take up the next part of the question. *How far upward in the ranks of professional and administrative employees should union membership be permitted to go?*

MR. BERNSTEIN: According to a recent NLRB decision, foremen should be recognized for purposes of collective bargaining. With respect to the organization of government employees, there is no reason to limit the organization to so-called clerical employees, excluding those at the policy-making level. I am stating that in a general sense and getting away from those agencies, previously discussed, where the problem of neutrality is important. My experience has been there is no necessity of any clash between the responsible head in an agency

and the individual who might be acting for him in a policy-making capacity by reason of the latter's affiliation with any particular union. I have been able to get the benefit of some of the things that my policy-making officials have gathered from union sources, things which helped in determining the proper steps to be taken—and I don't mean getting secrets or spying on the union. Officials who are union members pick up an employee attitude that should be imparted to the head of an agency. They have played fair with me, and I don't see any reason why any limitation should be placed upon organizational activities with respect to policy-making employees in an agency.

CHAIRMAN: Do I understand that you, as the head of an agency, could be included in a labor union?

MR. BERNSTEIN: I don't think the union would want me. Let's put it this way: we have said foremen might very well be included in industrial unions. We did not say that we were going to take the boss of the plant and put him in an industrial union. The head of a government agency would be acting in the same capacity as an employer in a plant. Below that level, individuals who are policy-making—who work on the decisions which the agency is called upon to make in its daily operations—should not be excluded from union membership.

MR. WARREN: Anyone should be eligible for membership who the union feels would not jeopardize their rights and privileges as union members. It is a matter for union determination.

MR. ELKIN: It is hard to draw a line in government service. Almost everybody supervises somebody. Our union will accept into membership anyone except an administrative official who has major responsibility for hiring and firing. This general rule would exclude the head of a department, the director of personnel, and, in large agencies, the bureau heads. This does not mean that these men do not have similar interests. It merely means that the

grievance procedure may come to grief if these people are in the union. But the community of interest between employees and supervisors is greater in government service than in industry. For instance, the federal employees' pay-raise bill now pending before Congress, which our union is backing, affects all employees—the bureau chief as well as the rank and file of his staff. The same thing would not be true in industry.

MR. CERVENKA: The union organization in the post office is unique. In the post office everybody starts as a clerk, and the only men who are eligible for membership in our organization are clerks. After promotion to a supervisory position a man must resign from the organization or take out what is known as an honorary membership which makes it possible to keep up the sick benefit, the death benefit, and all that.

CHAIRMAN: *What limits does the law place on the power of government administrators to deal with unions?*

MR. WARREN: As far as I know, none at all.

MR. BERNSTEIN: In a meeting this afternoon with a regional organizer for one of the AF of L unions I asked him that specific question. He pointed out some instances in Illinois where local counsel, city attorneys, and several county attorneys have ruled that it is illegal for any of the local government agencies to enter into collective bargaining agreements with unions but cited also opposing examples, such as an agreement signed by the head of the city council and the mayor of a particular city in the east. I asked him whether he believed that gave the union any legal rights which were enforceable in court. He said, "No." He did not think it did, but he felt that the good faith of the two responsible officials was such as to be relied upon. He further stated that that agreement had been in effect for the last eight years and that the union had been operating under it successfully. If you are going to bargain with a municipality or some other government agency, the important thing is, not whether

the agreement is in writing, but whether the ones making the agreement are in a position to enforce what they have agreed to and whether they are the type that can be relied upon.

CHAIRMAN: Our next question is: *Can and should government agencies sign formal contracts with unions with respect to collective bargaining rights and conditions of employment?*

MR. WARREN: I see no reason why government agencies should not sign formal contracts when the parties feel that they can operate better under a written agreement than without one. In some instances it may not be felt necessary to formalize an agreement in writing, but I see no reason why it should not be formalized if there is a desire for such written agreement.

CHAIRMAN: And, in line with what Bernstein has just said, even though it might not be a legally enforceable document it is a gentlemen's agreement.

MR. ELKIN: Government agencies not only can and should sign formal collective bargaining agreements with employee organizations, but they actually do. One of the most widespread collective bargaining agreements in the federal service exists in the TVA, a government corporation. The managers started right out with the idea of placing confidence in their employees and with the idea that the employees, through their organization, can contribute to the efficiency of operation of the Authority. President Roosevelt had occasion to praise that as a model of collective bargaining agreements in government service.

The Securities Exchange Commission signed an agreement with its employees some time ago. I single out that agreement because it was signed by Dean Landis and Mr. Douglas, now Justice Douglas.

MR. BERNSTEIN: Do they consider that an agreement or a declaration of policy?

MR. ELKIN: They consider it an agreement. They signed an agreement whereby they promised to discuss with the organization such matters as promotional oppor-

tunities, employee training, dismissals, posting of vacancies, and ventilation of the building.

In some cases the agency discusses new policies with the employee representatives before they are announced. These policies are not set out in written agreements but represent areas of negotiation between the administration and the union.

MR. CERVENKA: Our union has never signed a formal contract with the government agencies, but our national executive board does meet with the officials of the Post Office Department, and we submit memorials on all our grievances. Then we usually thrash out such grievances and have rulings made on them. They more or less become law after that, but we have no formal contracts. Our practice is a matter of policy, accepted for years, and is just as good as a signed contract.

CHAIRMAN: Now we come to the primary point: *Can and should government agencies enter into closed-shop agreements with labor unions?*

MR. WARREN: I suppose a closed-shop agreement would be contrary to civil service regulations. If you have a closed-shop agreement, that would mean that you could not employ anyone who is not a member of the union. That might be considered discrimination under civil service regulations.

MR. BERNSTEIN: Frankly, I think the question is largely academic for that reason. In government agencies you have methods of recruitment that are pretty well spelled out. You have to be guided by certain conditions which, by inference, preclude entrance into a closed-shop agreement.

MR. CERVENKA: I am absolutely in favor of closed-shop agreements. The government insists on other people's having something of that type. We should have it. It is becoming chaotic in some of the departments of government where you have four, five, maybe a dozen different organizations claiming that they represent the employees. We should have the employees elect whom they should have represent them and have

a closed shop. As far as civil service rules are concerned, you could have everybody take a qualifying examination and after he comes into the agency he should join the union.

MR. ELKIN: I could give some reasons why a closed shop would be a good thing, but the question is rather academic. None of the unions have raised it as a part of their programs. There is one instance of a ruling that was made with regard to a closed shop which occurred in the TVA. When the management decided to embark on its collective bargaining program, the question of the closed shop came up. Many of the unions with which they would have to deal had closed-shop agreements in industry. They submitted to the general counsel of the TVA the question as to whether a closed-shop agreement in a government agency would be illegal. His ruling was that it could be legal in those instances in which it could be shown on prima facie evidence that nonmembership in the union was tantamount to failure to establish competence in that particular field. I suppose it is a theoretical question, but conceivably you may have a union in a particular locality which embraces all of the workers in a particular craft or skill. Where the union has maintained a high standard of proficiency and experience and has embraced all of those possessing that degree of skill necessary to fill the positions, it might mean that all qualified persons employed would be of that union. Under these hypothetical circumstances, the general counsel said, such a closed shop would be legal.

CHAIRMAN: It is understood then, that public employees have the right to organize and bargain collectively but cannot enter into closed-shop agreements. Now we come to the question of affiliation. *Should unions of government employees affiliate with national labor organizations?*

MR. BERNSTEIN: With the exception of the incidents we discussed at the beginning of this meeting—with respect to agencies where neutrality must be maintained—I am

definitely for affiliation of our employees with national labor organizations. Most programs now—even those of a state character—have national implications, and the program, even though administered by the states and by local governments, finds its duplication in practically every other state in the union. The problems of the employees are similar.

CHAIRMAN: What about the second part of that question? *Should government employees organize nationally in separate unions apart from specific craft or other unions found in private industry?*

MR. ELKIN: I want to go back to the previous question. Unions that are not affiliated with national organizations very easily become company unions. They do not have available the advice, guidance, and experience of national organizations in the field. They consider themselves a group apart. Experience has shown that such unions frequently become company unions in the particular establishment. Unaffiliated unions become too much involved with the petty irritations which confront the employees in daily operations. They begin to exaggerate the importance of petty grievances and fail to see the major problems which can be solved only on a national level.

MR. CERVENKA: I agree with Mr. Elkin. I think the best affiliation is with the national union of government employees. After all, government unions can't make individual contracts. They have to go to Congress for any wage increase—or they have to go to the head of the department in Washington for the improvement of conditions within the department.

MR. ELKIN: I don't disagree. You are talking about a national organization of government employees affiliated with the AF of L or the CIO.

MR. CERVENKA: We found a straight national union better for us than affiliating nationally with electricians, boilermakers, and so forth.

MR. BERNSTEIN: Do you feel, with re-

spect to craft unions, that government employees in those trades ought to remain in such unions?

MR. ELKIN: We feel that government workers ought to be in a national government union which is affiliated with the AF of L or the CIO rather than in the respective craft unions which at present maintain departments in government service—as in the Navy Yards or the TVA, for example. There are many government employees who are currently members of electrical workers', machinists', or boilermakers' unions. We believe the government employees should be in a government union which affiliates through its national organization with the AF of L or the CIO.

MR. BERNSTEIN: Has there been any question of jurisdictional disputes on that basis?

MR. ELKIN: They don't become public, but there is some difficulty at times. We feel that the government union is best qualified to handle matters involving civil service rules rather than the rules which machinists or boilermakers would normally find in industry.

MR. BERNSTEIN: As a practical matter, in the state of Illinois, I know that the craft unions are in a better bargaining position than any so-called government union. The collective bargaining power of the craft unions is a lot more potent.

CHAIRMAN: *Should the right of government employees to strike be admitted? And should the same policy apply to all government employees?*

MR. WARREN: Certainly on a theoretical basis, I see no reason why government employees, simply because they are government employees, should not be entitled to the right to strike. I can see why people might argue that particular types of government employees should not be entitled to the right to strike; but on the basis of the same argument I see no more reason why the employees of a privately-owned power plant should be permitted to strike. The employees of the Bureau of Useless Docu-

ments, for example, could strike with much less injury to the public safety and welfare. Of course, under the present policy of the government, government employees cannot strike, and it is therefore somewhat of an academic question. Personally, I am not in agreement with the general policy.

CHAIRMAN: Could you designate the classes of employees that you think should have the right to strike?

MR. WARREN: I suppose it might be done, but I wouldn't want the job of saying who should have the right to strike and who should not.

MR. CERVENKA: I maintain that as long as employees in private industry have the right to strike, government employees should also have the right to strike—unless they are in a strictly "governmental" function such as running the Army, Navy, or comparable functions. I could never understand the arbitrary discrimination against government employees in the matter of strikes. I feel that there are many private industries which affect the public welfare as seriously as some government employments, and I see no good reason for the discrimination.

CHAIRMAN: *What is the proper role of labor unions in dealing with local, state, and federal legislative bodies? What types of lobbying and other legislative action are desirable and what types undesirable?*

MR. BERNSTEIN: Frankly, it seems to me that that is the real source of bargaining for governmental labor unions. In many situations where they bargain collectively with heads of governmental agencies, the scope of their bargaining is rather restricted because the legislative bodies have already taken care of the questions of hours, wages, and, in some measure, the working conditions. It is only within such prescribed limits that the head of an agency can operate. Therefore, if unions did not have the right to go to legislative bodies to present their grievances, they would really be foreclosed from the real source of relief in a situation where relief might be necessary.

We know that we have taxpayers' associations which do not hesitate to bring pressure upon the legislatures to keep down public expenditures. If there were not pressure from the other side, you would have an artificial level placed upon such things as salaries of public employees.

MR. ELKIN: I don't think that there is much to be added to that statement. The right to lobby was established as far back as 1912 by the Lloyd-LaFollette Act, which was in the nature of an injunction against the Post Office Department, which had imposed a gag rule upon its employees, preventing them from petitioning Congress regarding certain wrongs and grievances under which the postal employees were suffering. That has become a landmark establishing the rights of government employees to lobby.

The effectiveness of the lobbying of government workers has been recognized. When the Ramspeck Automatic Pay Increase Bill was passed in Congress, Representative Ramspeck publicly announced from the House floor that if it had not been for the lobbying activities of the United Federal Workers—their buttonholing of congressmen and their postal card campaign—the bill probably would not have passed.

CHAIRMAN: How do the members of the panel feel about this final question? *Should civil service unions be permitted to engage in political activity?*

MR. WARREN: I see no reason why civil service unions should not be permitted to engage in political activity as long as it does not interfere with the official business of the employees.

CHAIRMAN: Would you call lobbying political activity?

MR. WARREN: It is possible to distinguish between lobbying and other types of po-

litical activity—as the Hatch Act does. However, if there were no Hatch Act, I see no reason why government employees should not be permitted to engage in political activity on behalf of a particular individual in a campaign.

CHAIRMAN: In short, you think it is proper for a civil service union to take after a congressman, a state legislator, or an alderman and unseat him if possible?

MR. WARREN: I think it would be proper if legal.

MR. ELKIN: We agree with Mr. Warren. We agree to the extent that we are taking a case to the Supreme Court of the United States to get rescinded that provision of the Hatch Act which prevents government employees from engaging in political activity. We feel that government employees are sufficiently branded with the mark of second-class citizenship without burning the brand deeper.

(Some time later in the discussion Mr. Cervenka returned to this topic.)

MR. CERVENKA: We public employees must remember that we cannot have our cake and eat it too. If we want civil service protection and certain rights under civil service, we have no right to become involved in politics. The average man engages in political activity to get something in return: either he wants a better job or something else. I don't favor political activity to gain favors. The man most active in getting somebody elected is the one who expects to be personally rewarded and is rewarded. So, I am somewhat against political activity for government employees. I would rather have our civil service protection, our seniority rights, and other protections accorded us under the law than be subject to the vicissitudes of politics. Let's keep out of political activity as far as campaigning goes.

Reviews of Books and Documents

The Political Dynamics of Administration

By Arthur W. Macmahon, Columbia University

BIG DEMOCRACY, by PAUL H. APPLEBY. Alfred A. Knopf, 1945. Pp. viii, 197. \$2.75.

ANYTHING that Paul Appleby found time to write would have interest and value for administrators, both practitioners and students. But his *Big Democracy* is no fugitive scrap of anecdotal commentary; it is a long-considered, comprehensive, compactly written, easy but relatively abstract, and eminently realistic statement of a philosophy of government and administration in a free society. Especially it reflects Appleby's experience as administrative assistant and virtual manager in the United States Department of Agriculture from 1933 to 1940 and as undersecretary for four years thereafter. Much of the book, naturally enough, is oriented in the process of top departmental management. The overall analysis is fortified by the author's service as assistant director of the budget in 1944, to which position, happily, he has recently been reappointed after a brief connection with a Pacific Coast broadcasting concern. The attention given to American adjustment to international organization, especially in the concluding chapter, draws additional authority from Appleby's contacts as a member of wartime international food boards, in the preparatory work for a world food organization, and as an interim aide to the Secretary of State. Throughout there is the viewpoint of a sturdy democrat who had risen as proprietor and editor of country newspapers and who has been an earnest New Dealer standing with outward eye where innovative politics have found implementation in notable public administration. Appleby belongs so thoroughly in the main stream of national tendency and is already so far identified with emergent canons of administration, to the shaping of which his practice has contributed, that the main ideas of his book could hardly be novel. But it is original throughout in the

fundamental sense that at every point it is the fresh and authentic utterance of experience. Much that is said of the process of administration has never been put on paper before.

I

IN A spate of books about bureaucracy, Appleby uses the word without shame. Essentially it is a condition of institutional as distinguished from individual action.

I should like to try to shake a few prejudices about "governmental inefficiency," "red tape," and "bureaucracy." For it can, I think, be readily demonstrated that as a nation we need and profit by the very thing so often criticized: government by bureaucrats; government by government-minded officials; government by bureaucrats subject to and accustomed to political control [pp. 46-47].

The same viewpoint is echoed in his comment on war administration, which partakes of his belief that new organizations, public or private, can hardly be efficient:

The difficulty in war administration is that war agencies and personnel are not sufficiently governmental. They are not sufficiently bureaucratic because, in the nature of things, they have not had time to develop proper and adequate red tape or to select and sift their personnel so as to bring to the top the men who combine the intellectual power, administrative skill, and political sagacity needed to manage the immense and complex responsibilities entrusted to them [p. 173].

Outstanding in Appleby's contribution to the literature of administration is his realistic emphasis upon the setting of public administration in politics and in incessant public scrutiny. This stress deserves more attention in teaching and training. "In broad terms," Appleby points out, "the governmental function and attitude have at least three complementary aspects that go to differentiate government from all other institutions and activities: breadth of scope, impact, and consideration; public accountability; political character"

(p. 6). On the latter phase he adds: "Government administration differs from all other administrative work to a degree not even faintly realized outside, by virtue of its public nature, the way it is subject to public scrutiny and public outcry" (p. 7). This condition is not only inevitable in popular government; it is also desirable, although many attendant features are vexatious and costly and the frequent consequence is the bureaucrat's worst sin—playing safe. Appleby writes:

In the midst of increasing size and complexity, it is important to see clearly what things are essential in democratic government. I put two considerations above all others: free speech with all that it implies, and free franchise in elections which cannot be adjourned. Auxiliary to these is the Congressional function of inquiry and investigation. Likewise the action of the people in writing thousands of letters to the departments and to Congressmen. . . . Add the far-flung and daily contact with affected citizens in the flow of business in a society in which there is free speech and free franchise, and bureaucracy becomes a word that does not properly carry adverse connotations [pp. 36-37].

Appleby sees no danger that government in the United States will become isolated from the people. On the contrary, he remarks, "the pounding of public criticism is so intense that, more and more, government officials break under it" (p. 37). He records his observation that "no one in Washington, not even the President, is impressed with his own power." Rather, the official is chiefly conscious of restraints and limitations; indeed, "this sense of a lack of power is what drives people out of Washington" (p. 38). But essentially Appleby would not have it otherwise, although he asks for more outside understanding and forbearance, including "readier acquiescence from minorities in those matters about which they do not feel deeply." For he soundly declares that

if free government is to have the regard for minorities and for individuals that it ought to have and must basically have, minorities and individuals must learn to yield less reluctantly than they often do today on issues of secondary or tertiary importance. . . . Only by so doing can they look forward to a government that will abstain from action to which a relatively small minority very vigorously objects [p. 120].

In such a context of popular control, the "governmental sense" that is indispensable in administrative leadership must include "pub-

lic-relations or political sense." Administrative leadership calls for

the capacity to act swiftly in introducing minor administrative adjustments when such action will relieve public irritation and the ability to sense major political shifts in the early stages of their development and gradually to modify the program of the agency accordingly. . . . Executives and administrative experts, working together, simply give form to specific programs and mechanisms within the framework of larger national movements [pp. 43-44].

The author takes for granted the over-all constitutional scheme of the United States. In discussing congressional relations, he stresses the respect, dependence, and deference felt by administrators. "The attitude members of Congress encounter in the departments that makes them uneasy is really an attitude of fear" (p. 157). As matters stand, the contacts between the two branches are defective especially because such contacts occur characteristically on details, which naturally excite defensive attitudes, suspicion, irritation, and strain on both sides. "Congressmen," Appleby believes, "do not adequately appreciate that the bureaucrats actually do function in their own field in a way basically political and that responsible bureaucrats are more broadly—that is, more nationally—exposed politically than members of Congress, even though they function in a way different from Congressmen" (p. 159). Future institutional adjustments may well be sought largely in the extension of the legislative veto; "the power of Congress—as distinguished from its influence—will be greater when it is used less frequently" (p. 168). Technical expertise is not the need of Congress; for that it can lean on the departments. The higher role of congressmen is to be experts in politics.

In foreign affairs Congress faces new necessities for national decisiveness and action. Ideally, Appleby suggests, the President would name the members of the foreign relations committees, respecting party representation, and these committees would be empowered to make commitments within limits. Practically, however, it is hardly possible to hope for more in the next few years than provision for the election of strengthened foreign relations committees "by special party caucuses to make them especially responsible to the whole Congress, and employment regularly in the

handling of international business of the procedure technically described as the legislative veto" (p. 194). The position of the country on pending issues would be defined by general measures; specific actions taken within this framework would be reported to the whole Congress, and its failure to veto them within a stated period would constitute legislative concurrence. On the administrative side, Appleby deals with the need to realize the hegemony of the Department of State; here he properly stresses the significance of the device illustrated in the interdepartmental executive committee on economic foreign policy. Admitting the justice of much of the criticism of the department itself—though its "Washington staff is probably, man for man, the ablest in the capital" (p. 183)—the author points out that "not enough attention has been paid to the insularity and other limitations of the other departments as contributors to adequate foreign policy" (p. 195).

II

APPLEBY'S confidence in politics and the national will is projected administratively in his insistence on a well-knit, inclusive hierarchy. Unification of power "around a core of definite authority—unification first in bureaus, then in departments, and finally under the President—means that governmental action will have the character of a fair response to national social need rather than simply the sum total of a series of separate responses to many individual needs" (p. 124). So, as the author remarks elsewhere, "this is why the present discussion has been carried on in terms of a department headed by a single secretary, responsible to the President" (p. 94). In these terms, for example, he is skeptical of corporations in government. The need to modify legal procedures in some cases is conceded, but the corporate form and name are irrelevant, while the injection of boards of directors retards action at the very points at which the creation of a novel form shows the desire to expedite matters. Appleby's claim for comprehensive hierarchy as essential to the realization of evolving national policy is impressive and soundly conceived, although readers will wish to ponder on the lessons of the TVA and to think further about the dis-

tinctive needs of government when it enters the marketplace. But it is the especial strength of Appleby's analysis that he relates administrative to political responsibility.

The author's emphasis is upon organization as an instrument not only of political responsibility but also of agreement. "Administration always proceeds through co-ordination." Command is part of a larger and subtler process. "Psychologists and administrators alike," Appleby notes, "have come increasingly to realize that management consists much less in giving orders than in inducing or in organizing to secure agreement. When the process is thus understood, orders are seen as the formulation of what has been or will be agreed upon" (p. 78). At the best, the full product—which is "an organized product, an institutional product, a representative product, a political product"—is one "to which no very great number will much object, one for which no better alternative was clearly available, one that is subject to change and will be changed in the light of experience, in response to popular criticisms" (p. 83).

On the question of group consultation Appleby's views are doubtless influenced by conditions in the Department of Agriculture, vaguely set in a vocational complex, pressed by pretentious but factional lobbies, and meanwhile pursuing an outstanding experiment in official consultative contacts with affected groups—contacts, it must be said, that are not impeded by the fact that the groups are beneficiaries. The basic scruple that limits Appleby's prescription for safe consultation is his insistence throughout upon the "governmental attitude"—the need to take every factor and effect into consideration. "Governments," he observes, "exist precisely for the reason that there is a need to have special persons in society charged with the function of promoting and protecting the public interest" (p. 5). Government may have a consultative relationship with all organized groups, "but it must not have an exclusive consultative relationship with any of them and it cannot delegate governmental authority to any of them" (p. 126). And the approach to government must be kept open to individuals as well as groups. "Staff democracy" conduces to effective external contacts. All that Appleby writes

on this matter is soundly orthodox. It leaves open many issues that will arise in engineering a moving consensus in our plural society.

Against the background of the need to make governmental action an "organizational product," Appleby discusses certain "principles" of administrative unity. First, "not to farm out essential functions to unintegrated agencies, but to organize all responsibilities in unified but decentralized hierarchies." Second, "to widen the channel for the flow of ideas and information to and from the top or central authority and to support that central authority by stimulation and constructive criticism generated outside of and roughly parallel to the line of hierarchal authority" (p. 88). (The analysis here is regrettably scanty.) Third, "structural balance" is essential. Such balance has two aspects. One phase is that executives reporting to an administrator should collectively have power about equal to his and should individually be as nearly as possible equal to each other. The other phase of structural balance has to do with "posing issues at the level where decision should be made" (p. 90). Fourth, "persons on equivalent levels in the various bureaus and offices should be located in physical proximity" (p. 91). The remaining "principles," as they are called (for Appleby's usage pulls on the sleazy fabric of this word), stress the need for variety in the use of coordinative devices in complex situations and the basic importance of structure. Students will note Appleby's warning call. "Getting agreement on action," he writes, "has its beginning in structure." He adds: "There is a tendency for us to concentrate our attention on persons and procedures and to forget structure. Yet, in spite of the tremendous importance of the placement and procedure of persons in the structure, structure comes first and remains basic" (p. 92).

In securing a true organizational product, with a full utilization of resources and with respect for the political responsibility of the whole operation, Appleby emphasizes the need of "operating on one's proper level." There is a chapter under this title which had its starting point in the assertion that we should not yield to a sense of defeat in the face of contemporary bigness. Appleby recognizes that "much of the general fear about big govern-

ment arises from reflection on the limited capacity of the human mind," but he states his faith that "until we have studied carefully the high capacity of the human mind to devise finer and ever finer ways of organizing and apportioning administrative functions and responsibilities, no one can know how close we are to those outer limits" (p. 65). What the author calls the downward drag must be resisted in respecting the bureau, departmental, secretarial, interdepartmental, governmental, and presidential levels.

No one on the governmental level should attempt to operate on the departmental level. No bureau chief should attempt to operate on the division level. The drag of inadequacy is always downward. The need in administration is always for the reverse: for a secretary to project his thinking to the governmental level, for a bureau chief to try to see the problems of the department, for the division chief to comprehend the work of the entire bureau [p. 45].

The character of judgment differs from level to level; if one judgment merely replaces another of the same kind there is duplication—"often the only important duplication to be found in government" (p. 70). Appleby offers realistic leads to the heads of agencies and suggestions to those who approach them—leads and suggestions strong with the impress of one who for years sat on the other side of the door from Henry A. Wallace. "Only those department heads who spend the great bulk of their time directing the way in which things are done, instead of doing them themselves, will get superior results" (p. 71). He declares roundly:

There is more inadequacy in government because of the inability of officials to operate on their proper levels than from any other single cause. But such inadequacy is not inevitable. . . . It stems chiefly from a failure to realize the importance of taking careful note of the qualities of mind, temperament, and personality required for a position on a given level and then searching for those qualities in the person to be appointed [p. 70].

III

APPLEBY's experience makes him especially sensitive and expressive about personnel needs at the upper levels. His comments, though general, are ringing confirmation of what has been said of late about the personal ingredients for high administration. "One of the things most needing to be understood

now," he remarks, "is the increased practical value of the so-called abstract mind." For, "as we have specialized, the practical need for generalization and synthesis has grown in geometric ratio" (p. 66). Top executives must have the "capacity to see public policy in tens of thousands of different actions and to relate these actions to each other in terms of public and governmental interest" (p. 43).

On the methods of recruiting and training, Appleby is suggestive but not systematic. He verges on a kind of predestination. There are a few who have the requisite philosophic or generalizing aptitude, attended by the gift for action. Experience is not the great qualification; its values are popularly misunderstood and overrated.

Men who go far in governmental administration usually have to get there by large leaps. If they function well on a high level to which they jump, their success cannot be due to greater experience in everything in the field below that level. They succeed because they have special qualities. How to discover in advance whether a person has the qualities needed: there is the rub [p. 67].

In the improvement of recruitment the author offers encouragement rather than specific measures.

Once there is a realization of the crucial need of abstract, generalizing minds at the top—minds broad and yet incisive, minds interested in ideas, concepts, analogies, and relationships and possessed of a political sense and a leader's "feeling for action"—we can accomplish a great deal in identifying individuals with the needed qualifications. And we shall in time be able to develop more such persons [p. 70].

Referring to the eight hundred or more persons recruited annually to the Department of Agriculture at the lowest professional level, from whom division and bureau heads will later be selected, Appleby believes that "certainly much can be done to ensure that a larger proportion of the recruits have some of the flair for generalization that is of the essence of higher-level performance" (p. 113). In view of government's expanding economic controls, one notes with especial interest a suggestion for recruiting about the age of thirty. After mentioning the appointment of bureau chiefs from outside government service, the author writes:

Reliance on accident in locating such individuals can be further reduced by developing in government organized information about superior and unusual

persons of the kind desired and by supplementing an improved recruitment of persons just out of college with a similar systematic recruitment of persons at about the age of thirty. In some respects this last could be made the most helpful of all means of getting personnel capable of developing later on into top officials. Non-governmental experience in earlier years, particularly when it has been secured in a number of different fields, coupled with a stout devotion to the general welfare and a flair for generalization, provides a better bet than the same qualities in a man experienced only in government. He is a much better bet also than the man who has stayed in business until his outlook and attitudes have been crystallized by that environment [p. 114].

Appleby gives a tantalizingly brief forecast of improved in-service selection and training.

Much depends upon individual supervisors, but from higher levels there should come much more stimulation and concern for especially promising people. Those with the widest range of interest and capacity should be moved from bureau to bureau and from bureau to departmental assignments, and should be given experience of various kinds, including field work at the ultimate point of contact with the affected public, before being moved into the more rarefied atmosphere of top-level administration [p. 115].

The reader will note the emphasis on innate traits but also the qualifications of the author's other prescriptions implied in the phrase "rarefied atmosphere." As to promotional sequences, Appleby records his repeated observation that "men do not move readily from bureau to departmental or governmental administration, but they can and do move successfully from the departmental or governmental to the bureau level." The reason, presumably, is implied in the comment: "Bureau officials generally show on the departmental level a limitation somewhat similar to the limitations of most men who have specialized in business" (p. 69).

Despite the need to accommodate administration to political change, the continuity of a career service is assumed. "Even a substantial percentage of change in personnel, suddenly effected," Appleby writes, "will wreck morale and so damage nicely balanced working arrangements within the organization as to ruin for the new head all prospect of success" (p. 144). Happily for the preservation of political responsibility amid growth, the author notes from his experience that "career executives have an amazing loyalty to their departments and to the government, one that usually

recognizes the part that policy shifts must play" (p. 145). For purposes of innovation, however, the head of a department, in addition to his personal staff, should have

a right to name up to perhaps a dozen persons in any one bureau and up to a total of perhaps thirty in an entire department. . . . These appointments, however, should all be subject to the approval of the Civil Service Commission and to the understanding that they would be used only as and when the need for greater political and administrative responsiveness might develop in unanticipated places [p. 148].

Appleby adds that

these processes, coupled with his right to demote, promote and transfer and with present Civil Service recognition of "rare bird" and other needs will put a department adequately at the command of the nation, if the secretary knows how to exercise his command [pp. 148-149].

The author, however, defends an admixture of political clearance in new agencies. Illustrating from the experience of the Department of Agriculture in the early days of the New Deal, he extols the value of a frankly political clearance officer; when confined to selected positions in which the final appointments are made by the department, such an officer "can defend administrative integrity more effectively than can administrators who are politically aloof" (p. 153). On the whole, Appleby now thinks, the Department of Agriculture was too little political. There was "too little effort to draw to the Department the interest, the understanding, and the support of the professionally or constantly functioning political people." If anything, the department "operated too far away from the party in power; we resisted it too much; we accepted too little responsibility for devising satisfactory ways of recognizing it and co-operating with it" (p. 149). The reader must guess whether some of this afterthought springs from the extent to which the almost fatal defections from the New Deal lay in the votes of the farm states. But the comment is not inconsistent with Appleby's underlying belief in the political responsibility of administration.

Along with his stout belief in parties, Appleby sees the demands of any period as a trend evoked by the conditions of the time. He remarks suggestively, and no doubt with an intended exaggeration that does not belie

essential truth, that "it is doubtful, for example, whether the course of the country would have been substantially different from 1920 to 1932 if the Democrats had been in office instead of the Republicans." The scope for leadership varies. Ordinarily "political change is a product of grass-roots change, of education, discussion, development, and the logic of events" (p. 142). Occasionally that logic causes people to entrust a leader with a broad charter, to act in response to their sense of need and within the constitutional framework. When such moments have passed, "the processes of refinement and adjustment begin their work and the people continue in their normal way with the development of new political sentiments" (p. 143).

IV

THE author offers some hints on the dynamics of administration—the eternal problem of keeping organizations fresh while they achieve the maturity essential to efficiency. On this point he is skeptical about devolution on the states as a source of experimentation. Actually, the states seem to differ less and less among themselves. It is probable, Appleby believes, that more experimentation can be accomplished within consciously flexible national programs. Besides, responsibility must not be dissipated.

A state bureaucracy is no less a governmental bureaucracy than a Federal bureaucracy. If a program is Federal and if the responsibility is Federal, the authority should be Federal and the administering bureaucracy should almost always be Federal. Only thus can national purposes be served; only thus can there be popular control; administrative mechanisms not controllable by a Presidentially appointed top executive are not manageable by the people. . . . To assume that decentralization and delegation to states, are one and inseparable is to assume too much [pp. 87-88].

One senses at once an echo of the problem of building the action programs of the Department of Agriculture and a merited slap at certain slogans of reaction. Appleby's sensible little canvass of the criteria that must guide devolution on the states adds little to the long-run analysis of federalism. But Appleby is not dogmatic even when he is downright. "It is not my contention that the states do not and should not experiment," he writes. "My

only argument is that it is not necessary to rely on them as an exclusive or even a preponderant source of experimentation" (p. 116).

The author does not seek to elaborate a conception of the role of government which underlies his enthusiasm for big democracy. "The basic urge of the American people reflected in contemporary government," he states broadly, "is toward an order that is more unified than the system of control maintained by business and more comprehensive, more representative, and more responsible than any of our other systems of non-governmental control" (p. 120). The motives for any given expansion of governmental activity seem pragmatic and piecemeal, arising out of particular

problems. Of course, it may be said in general that "if government cannot become more complex as the rest of life becomes more complex, society cannot grow" (p. 63). Most officials with whom Appleby has associated, he records, would prefer "that government act in such a way as to exert a general influence and create a set of conditions under which citizens would find it advantageous to do things in the social interest." But they recognize as a practical matter "that it is often more fruitful for government to pursue the middle course of performing certain specific services which the public needs" (pp. 97-98).

Even with the aid of much direct quotation, the foregoing paragraphs hardly suffice to show the range and insight of this slender book.

Basic Social Science Applied to Administration

By M. L. Wilson, U. S. Department of Agriculture

THE GOVERNING OF MEN: GENERAL PRINCIPLES AND RECOMMENDATIONS BASED ON EXPERIENCE AT A JAPANESE RELOCATION CAMP, by ALEXANDER H. LEIGHTON. Princeton University Press, 1945. Pp. xvi, 404. \$3.75.

DO WE have sufficient knowledge in the basic social sciences that genuine assistance can be given to those who form the policies and carry on the administration of the occupied areas? Commander Leighton's book is addressed to this problem. The book deals with general principles of human nature and behavior, particularly with peoples under stress. It is the product of a movement in the social sciences to bring about greater integration between psychology, psychiatry, anthropology, and sociology in an endeavor to find the "constants in human nature."

From the standpoint of administration this is one of the most important, if not the most important, of the books to come out of World War II. It is a report of a case study and an analysis of a complex and difficult situation in which the advice of a well-trained expert and research staff was currently given to administrators as a service in guiding administrative policy. As an outgrowth of this case study from

which illustrations must be drawn, the author presents a set of principles to be used by the administrator in governing men. While it deals with a particular wartime situation under which human beings are under stress, nevertheless out of it has grown a setting for a statement of general principles, scientific in character, which apply universally to human nature.

Basic social science has reference to psychology, psychiatry, cultural anthropology, sociology, as these are used to seek, by scientific methods, enlargement of the understanding of human personality and its behavior. The social sciences mentioned provide a foundation for the applied fields in economics, politics and government, social welfare, and public administration, just as chemistry, mathematics, and physics serve in the applied fields of the physical sciences. Their development has certainly been as great in relation to research resources available. And, too, there has been a movement, sponsored by the Social Science Research Council, to promote integration on the assumption that the social sciences grouped as basic were necessarily involved in the development of scientific understanding of the complete personality.

I

ALMOST overnight after Pearl Harbor the problem of the Japanese in the United States became a wartime problem. The suddenly aroused war psychology, combined with the deep-seated racial tensions on the Pacific coast, and the military problem of national security, brought about the quick formulation of a policy of evacuating the Japanese and transporting them to relocation centers. The President, by executive order on February 19, 1942, gave the Army authority to establish military zones "from which any person, citizen or alien, may be evacuated or excluded." and on March 18, 1942, there was created a War Relocation Authority for the administration of relocation centers for the Japanese in the United States.

During the first few extremely trying days of the life of the War Relocation Authority, John Collier, the commissioner of Indian affairs, went to Milton Eisenhower, appointed by the President to organize and administer the Authority, and made a novel proposal. Eisenhower was the kind of administrator who was quick to comprehend its significance.

The first part of John Collier's proposal was that one of the Japanese war relocation centers be established on Indian reservation land in the lower Colorado River Valley in Arizona about halfway between Boulder Dam and the Mexican border. This center would be administered by the Indian Service for and under the direction of the War Relocation Authority. Since the principal function of the Indian Service is to administer government policies in connection with a minority people, the proposal was that the project be allowed to serve both as an experiment and as a demonstration. The plan would provide for the development of irrigation as a byproduct of the Boulder Dam project for unused desert lands. If the war lasted long enough, the evacuees, within limits, could become partly self-supporting in the matter of food. Perhaps, after the war, many of them would continue to lease the lands and remain on the project as irrigation farmers. How this plan developed and was administered is told in "The Story of Poston," Part I of Commander Leighton's book.

The second part of the proposal was that a well-considered social science phase be incor-

porated in the project, permitting the center to be organized with a reasonable amount of democratic participation in the internal organization and in the administration of affairs by the evacuees themselves. This, of course, had to be consistent with the wartime situation. The psychological state of the people, and the shock which they would suffer from being uprooted so suddenly and transplanted into such a drastically changed environment, would have to be taken into consideration. Even though the problems of adjustment would be difficult, the program would provide careful social planning of ways and means whereby, it was hoped, the psychological shock would be minimized. Collier held that, during the period of the evacuees' confinement, a psychological readjustment would take place in which democratic attitudes and new, significant ways of living and thinking would come about. If this proved successful, the evacuees could become effective individuals, particularly those who might return to Japan and the Orient, in making a more democratic postwar world. It was recognized that this phase of the project was experimental.

John Collier has few equals when it comes to having a deep faith in the innate possibilities of people of other cultures than our own. He is a humanist who believes that the nature of man is such that its proper study and analysis can contribute greatly to the planning and direction of human affairs. As commissioner of Indian affairs, Collier previously had had wide experience with experimental thinking and planning which gave him confidence that cultural anthropologists and psychologists could make a real contribution not only in the science of human nature but also in its application to administration.

Collier's plan included a research unit with trained participant-observers who would accurately record events day by day. They would make a continuous analysis of what happened, and a record of results and of the judgments growing out of them would always be available to the administrators. A part of the research was to determine whether the social analysis and the judgment of experts in human behavior would be accepted and valued by an administrative staff. The aims and function of the project were stated as follows:

1. To aid the administration by analyzing

the attitudes of the evacuees with particular reference to their responses to administrative acts and to draw practical conclusions as to what worked well, what did not work so well and why.

2. To gather data of a general character that might be of value in the administration of dislocated communities in occupied areas.

A few months later, a third aim was added:

3. To train field workers of Japanese ancestry in social analysis so they could be helpful in occupied areas of the Pacific, during or after the war [p. 373].

Commander Leighton, at the outbreak of the war, had been working with the Indian Service in connection with a research project on the Navaho reservation. Mr. Collier was well acquainted with his point of view in social science and his methods and ability to translate scientific abstractions into concrete recommendations of policy. No doubt Leighton's views greatly interested Collier in the development of this proposal, so that it was both logical and natural that Leighton be sought as director of the project.

Leighton is a graduate of the Johns Hopkins Medical School. In the spring of 1942, when the Collier proposal got under way, he had already been commissioned in the medical corps of the United States Navy. A request was made to Admiral Ross T. McIntire of the Navy medical corps to have Dr. Leighton assigned, because of his peculiar qualifications, to the proposed WRA project.

Commander Leighton is a man in his upper 30's, rather thin, slightly above medium height. He possesses a great amount of practical common sense. He is rather quiet and thoughtful in his manner and, in conversation, impresses one as being a well-trained and careful scientist. His father was an Irish immigrant who settled in Philadelphia and is a contractor and builder. Leighton's undergraduate work was at Princeton and at Cambridge, with majors in psychology. He studied medicine at Johns Hopkins, became interested in psychiatry, and was greatly influenced by Adolf Meyer. After his graduation he became associated with the Henry Phipps Psychiatric Clinic. In 1937 he was given a Social Science Research Council fellowship for the study of certain problems of a psychiatric nature in other cultures. He selected a tribe of Eskimos and the Navahos

for his study. In this way he was led in his thinking to combine psychiatry and cultural anthropology as closely related fields of science. Shortly before the war he and his wife, who is also a psychiatrist, made a study on the Navaho reservation¹ which was highly commended by many social scientists.

Commander Leighton's first assistant in the organization of the project was Dr. Edward H. Spicer, an easterner who grew up in Arizona and did his graduate work in social anthropology at the University of Chicago with Redfield and Radcliffe-Brown. Spicer was well trained and experienced in matters pertaining to culture and behavior within culture and made an able assistant to Dr. Leighton. During the life of the project they were assisted by several anthropologists and by a staff of field interviewers recruited among the evacuees.

II

PART I of *The Governing of Men* deals with "The Story of Poston." It is essentially an objective case study of a particular situation where human beings were under great stress. The Poston story makes more than two hundred pages of interesting reading. The significance of this book, however, does not lie in the story of Poston. It lies in the methodology used by a well-trained, well-poised scientist in the field of psychology, psychiatry, and cultural anthropology in analyzing a moving situation. In the introduction, Commander Leighton states that it has been his desire in the preparation of the book to follow Adolf Meyer's formula of critical, inquiring common sense:

What is the fact?

The conditions under which it occurs and shows?

What are the factors entering and at work?

How do they work?

With what results?

With what modifiability [p. viii]?

When you read Commander Leighton's story of Poston, you feel that he has been very successful in fulfilling Adolf Meyer's formula and doing it in the most interesting manner.

In Part II are outlined the author's principles and the recommendations which grow out of these principles in the governing of men. He

¹ *The Navaho Door: An Introduction to Navaho Life* (Harvard University Press, 1944).

uses the Poston story as a case for clinical analysis and demonstration. He is seeking general principles that apply to all men. In his discussion of the problem he says:

What are the laws of individual behavior, what are the perennial social forces at work here? . . . What general characteristics of human nature are in action? . . . The breakdown of man's organizations of himself and his fellows are not events isolated in evacuation camps. They cover as much of the earth as is covered by the human race, and questions that run deeply into the fate of mankind in a shrinking world are involved. Included are such things as the rights of citizens, the treatment of minority groups in the heart of a nation and the capacity of a democracy for efficient, consistent government and just international relations.

Out of this particular episode could one extract a few particular constants of practical value [p. 6]?

Commander Leighton is fully aware of the complexity, the depth, and the significance of the questions he has posed. When it comes to giving his analysis and his interpretation, he says:

The results of this attempt to give some sort of answer to the question posed in the beginning are far from satisfying. At best they consist in the integration of fragments of concrete experience and observation to form abstractions which remain themselves fragments interrelated by tenuous and often dim connections. At the worst, they are abstractions which fail to integrate and which distort because they are sadly incomplete.

On the other hand, I am certain that in the Relocation Camp experience my hands groping blindly below the surface touched here and there on a real body of constants and laws in human living [p. 248].

After setting forth a basic postulate to the effect that "there are universal, basic characteristics inherent in human nature" (p. 249) he develops his material under three chapter heads, "Individuals under Stress," "Systems of Belief under Stress," and "Social Organization under Stress," and concludes with some "general suggestions for administrators."

There are several types of stress which disturb the emotions and thoughts of individuals. The most important of these are enumerated and discussed. Under stress there are three universal kinds of behavior: cooperation, withdrawal, and aggressiveness. It is quite evident that in this chapter Commander Leighton draws upon his knowledge and experience as a psychologist and as a psychiatrist. He follows the school of thought which lays great importance on frustration and aggression, for

he says "there is some evidence that of all the different kinds of adverse forces from which men can suffer, the situation most likely to lead to aggression is that in which frustration predominates" (p. 268). Administrators themselves are human beings, and they react to stress also. Humor is a significant attribute of a good administrator. "It can provide a harmless way of discharging anger and of diverting attention from painful feelings" (p. 282). Commander Leighton is probably thinking of problems in the occupied areas when he sets forth the principle that

In the control of human behavior, whether cooperative, apathetic or aggressive, punishment and reward are equally important [p. 284]. . . . In conquered enemy country it is particularly important to show that co-operation pays just as surely as noncooperation brings punishment. . . . Punishment is only one among many useful tools for the control of people. Never use it alone; punishment without relief of underlying stress is like tying down a safety valve and stoking up the fire [p. 285].

In the section on "The Nature of Systems of Belief," the author utilizes his knowledge of both psychology and cultural anthropology. "Man," he says, "acts in terms of what he perceives, and what he perceives must pass not only through his eyes, ears and other special senses to reach his consciousness, but also through the dark and iridescent waters of his beliefs," (p. 288). The problems and difficulties involved in changes in systems of belief are analyzed, and it is pointed out to the administrator that he must know the systems of belief of the people being administered and the members of the staff who are doing the administering.

The chapter on "Social Organization under Stress" deals with the principles involved when there is an integration of organization and the channels through which reconstruction can be directed and guided. This section of the book is addressed to administrators as well as to the general reader and the social scientist. It should be read very carefully.

III

DID the study and analysis have any real value to the administrators of the Poston project? The war Relocation Authority administrators in Washington say that the analysis and advice given was extremely helpful and

significant. It helped the project administrator and staff make many important decisions, and it played an important part when there was disagreement in judgment as to courses to be followed. In popular language, it "sold" itself to the WRA authorities. A division of community analysis had been set up under which this type of study and analysis was being initiated in each of the projects. Upon the resignation of Dr. Embree, Dr. Spicer was brought to Washington to head this division; and, of course, his experience at Poston proved of great value to him. The Washington administrators are confident that the advice of Commander Leighton and his staff played no small part in the decision not to call the Army in to settle the strike—an action which, if it had been taken, might have resulted in both loss of life and a nation-wide prairie fire of emotional race hatred and antagonism. Both as a result of this demonstration and of the good fortune of the War Relocation Authority in having as one of its top administrators a cultural anthropologist, Dr. John H. Provinse, who knows how to integrate this service into the administration as a whole, community analysis has become a very important section of the Authority.

If one accepts the assumption and methodologies of the type of basic science brought out in this book, what are its implications and applications to administration in general, and to public administration in particular? It is pointed out by Commander Leighton and Dr. Spicer that the value of the use of basic social science in the Poston project depended "on the circumstances under which it was presented to those in a position to act" (p. 395). This, I am told, was mostly through personal conversation and association and verbal, rather than written, communication. Administrators are usually extremely busy people, and those who operate through staff organization hammer policies out with their responsible organization subordinates and staff experts. Will the process of professional training for administrators equip them with a knowledge of the principles of social science, or will this field develop into a highly specialized one for which men will be trained to serve on the staff of administrators and render a staff function in relation thereto?

What I have called the basic science of hu-

man nature is making a good deal of progress in developing specific applications in such fields as education, business, labor relations, health, and, more recently, warfare. Is it now in the process of moving still further to make its contributions to public administration? The tendency is apparent in several fields. The public relations counsel, even though he probably has very limited scientific background, is performing a function for which many corporations are willing to expend considerable sums of money. The division of program surveys in the Department of Agriculture, of which Dr. Rensis Likert is head, through the technique of interviewers and public opinion analysis, renders this kind of service to the administrators of agricultural programs. In the next one or two decades we are likely to see a type of administrative staff organization that will include a highly trained type of man performing the same function for the administrators that Commander Leighton did at Poston. The person assigned this responsibility will stand ready with his scientific training and background of experience to give the administrator technical assistance and the benefit of his judgment in the various fields of administration involving human beings.

Man is often referred to as a tool-using animal. Science is a tool which gives him control over the forces of nature. Now, as the science of human nature develops, one speculates as to how man himself will use this tool. The type of social science described here places great emphasis on the value systems of individuals and societies. Therefore, the use that administrators or society will make of the tool will depend upon their value systems. A great responsibility is therefore placed on philosophy, ethics, and religion as the intellectual components involved in the value system of individuals and societies. And in the training of administrators and in education in general, should not the "value system" be given a consideration proportional to the science system through which man exercises control?

Commander Leighton's book has much to say that is of practical value to administrators of military government, and I believe that the principles he has outlined, if properly administered, will in the course of time form a basis for a change of the ideologies of the people concerned. There is, therefore, a great

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opportunity for a chance to test out the kind of service that was rendered at Poston on a world-wide basis. If it is given the opportunity, and succeeds, then social science will have

begun to prove its place in the atomic age, and perhaps the value systems of mankind will so change that the human race will not destroy itself with its deadly new power.

British Naval Administration

By Myron P. Gilmore, Lt. Comdr., U.S.N.R.

THE MAKING OF A CIVIL SERVANT: SIR OSWYN MURRAY, G.C.B., SECRETARY OF THE ADMIRALTY 1917-1936, by LADY (OSWYN) MURRAY. Methuen and Co. Ltd., 1940. Pp. xi, 212.

THERE used in the nineteenth century to be a tradition that the British civil servants, like the fountains in Trafalgar Square, played from eleven till four. The career of Sir Oswyn Murray, devotedly if uncritically recorded by his wife, is a more than adequate refutation of this pleasant description. Murray spent his life in the service of the British Admiralty, and from 1917 until his death in 1936 he was its highest permanent official. The history of this experience is significant because it illuminates certain important aspects of the success of British naval administration.

To the student of administration the management of a military department must always remain a fascinating subject because of the special character of the problems involved. The relationship of the professional officer to the civilian administrator raises in an acute form the question of the role of the expert. In addition, since for obvious reasons democratic governments have always been peculiarly sensitive to the necessity for maintaining political control over the military departments, the naval administrator has always the political element to be taken into account. Those who are charged with the administration of one of the services cannot be said to be their own masters in the same sense as the heads of the civilian departments. As Sir Oswyn Murray once remarked in describing the number of people who had to be considered and deferred to, "It is a life that needs infinite tact." When it is remembered that it fell to Sir Oswyn's lot to serve under such first lords as Mr. Winston Churchill and under such

first sea lords as Sir John Fisher, it may well be considered that this small remark was a masterpiece of understatement.

A still more serious difficulty arising from the nature and purposes of the naval establishment was well described by Murray in a lecture on the administration of a fighting service, given in 1923 before the London School of Economics. Summarizing the fundamental problem, he said:

The efficiency of the administration of the Navy in some of its most important respects can be gauged in only one way, and that is by the test of war. One looks rather enviously at those departments which can measure their progress, their success, by immediate financial results, by statistics, or by reference to some ideal standard which they desire to attain. For we are working not for an end which we hope to attain, but against a contingency from the thought of which we recoil. And yet, unless it comes, the success or failure of much of our daily work remains a matter of doubt, of speculation.

If the British Admiralty has been successful in the reconciliation of the diverse elements of naval administration and in the maintenance of a high standard of efficiency, that success has in no small part been due to the tradition which has provided it with such servants as Sir Oswyn Murray. It is a tradition which goes back at least as far as Samuel Pepys. Indeed, there are some remarkable similarities between the Restoration Secretary to the Board of Admiralty and his twentieth-century successor. Both men had the same conscientious pride in the development of the naval service, and both had the capacity to see their subject in its larger aspects. Whether they were absorbed in the details of the victualling department or in the intricacies of pay rates, they looked beyond their documents to the condition of the men and the efficiency of the fleet. It is interesting that both Pepys and Murray

undertook comprehensive histories of naval administration. Neither of them finished the job; Pepys left behind him a vast collection of manuscript materials, including many of the official documents of his own period, and Murray left a series of unfinished chapters on the Admiralty.

Lady Murray's account of her husband's career explains some of the reasons for the success of this administrative tradition. There is, in the first place, the question of the recruitment of men of Oswyn Murray's caliber to the civil service. Murray was the son of Sir James Murray, the great lexicographer and editor of the *New English Dictionary*, and took a series of brilliant firsts—in moderations, in greats, and in jurisprudence—climaxed by the winning of the Vinerian Scholarship. After passing the civil service examinations with distinction he was offered and accepted in 1897 a post as a junior clerk in the Admiralty. His salary was 150 pounds a year. In the United States at the same period young men of comparable equipment and talents were going into business, law, and medicine. The fact that Murray chose as he did is in itself a commentary on the strength of the appeal which could be made in a more homogeneous society by service to the government. Obviously the immediate rewards were not financial.

Even for that day the salary was so small as to require the postponement of Murray's marriage for three years, at the end of which time he was making 250 pounds with a slight annual increment. Some interesting pages are devoted by Lady Murray to a description of how a married couple in London managed their budget at the turn of the century and to a comparison of the standard of living of the lower ranges of civil servants of that period with those of 1939.

The second important fact about the administrative tradition of the British Admiralty is that having acquired the services of the Oswyn Murrays it has known how to use them. A series of appointments such as second secretary to the first lord, private secretary to the financial secretary, and principal clerk gave him a thorough acquaintance with departmental business and an unparalleled education in staff work. These opportunities put him in such a position that his superiors

tended to come to him, as he says himself, "for all the little facts they needed to be reminded of in forming an opinion on any big question." The conception of staff work which is revealed in this relationship indicates one of the advantages of a system in which the permanent civil servants are responsible for more than clerical and routine duties. No matter how able a staff an American Secretary of the Navy may bring with him upon his assumption of office, the members of this staff cannot have the knowledge and experience acquired by the British permanent official over the years while first lords and first sea lords come and go. In addition, the young man in Oswyn Murray's position has an incentive different from that of his American counterpart. The fact that the British official is to spend his whole career in the department gives his ambition a wider and a more permanent basis.

After a varied experience in the Admiralty's permanent secretariat, Murray was placed at a comparatively young age in charge of the victualling department. As his wife remarks, "The Victualling Department was in disrepute in 1904." It is interesting to remember that this department was also in disrepute in 1665, when Samuel Pepys assumed the position of surveyor general of victualling. Of the importance of this post Pepys wrote in his *Naval Minutes*:

Englishmen, and more especially seamen, love their bellies above anything else, and therefore it must always be remembered in the management of the victualling of the Navy that to make any abatement from them in the quantity or agreeableness of the victuals is to discourage and provoke them in the tenderest point, and will sooner render them disgusted with the King's service than any one other hardship that can be put upon them.

The same just appreciation of the importance of the "tenderest point" dominated Murray in his administration of his new department, and it may be surmised that he derived much comfort from his seventeenth-century predecessor, who was his favorite reading. It is true that the more obvious abuses and speculations of Pepys' time had been eliminated, but the major problems of maintaining efficiency and morale in the administration of such a service department remained a constant. It is amusing to read of the various expedients to which Murray was driven by his conscientious conception of his task in his effort to improve

the provision of supplies to the fleet. These measures included trying out on his own family a large number of processed foods for which at one time or another the Navy proposed to contract. Lady Murray reports that they had a very average cook, and if an unpalatable mess came on the table, it was taken as conclusive evidence that the product in question ought to be stricken off the list.

In the course of the seven years during which Murray was director of victualling an immense number of reforms were due to his energetic and imaginative attention to detail. Many people would have regarded the administration of such a department as the epitome of dull routine. It is another illustration of the success of the British tradition that it brought to the direction of such business civil servants of capacity who already had an extensive acquaintance with the entire range of Admiralty activity and who were now given a chance to prove themselves by a long term in one department. Murray did so well that in 1911 he was selected to be assistant secretary of the Admiralty. This appointment implied the prospect of succession to the permanent secretaryship, the highest post in the Admiralty open to a civil servant, carrying with it membership on the board. This succession was duly realized in 1917, and Sir Oswyn Murray remained Secretary of the Admiralty from that time until his death in 1936.

To appreciate the administrative problems with which he was confronted in these two positions requires an understanding of the nature of the Board of Admiralty. The lords commissioners, who with the permanent secretary, the parliamentary secretary, and the financial secretary compose the board, are legally responsible for the administration of the Navy. They are created by letters patent to exercise the office of the Lord High Admiral. Under the patent they are co-equal in power and have a collective responsibility. There is, however, a nineteenth-century order-in-council which makes the first lord alone responsible to the Crown and to Parliament for the conduct of the business of the Admiralty and gives him an almost unlimited discretion in assigning spheres of administration to the other members of the board. There is, therefore, a fundamental inconsistency in the two basic documents under which the Board of Admiralty

functions. This inconsistency has never been removed, and indeed it harmonizes well with other organs of the British governmental structure which, superior to logic, have depended on an historical and pragmatic justification.

In modern times the first lord has customarily been a civilian, although this has been by no means so fixed a principle as in the United States. During the eighteenth century there were naval first lords for almost exactly half the time, and in the early nineteenth century some great naval names were also included in the list of first lords. There has even very recently been a first lord who had held a regular commission in the Royal Navy, although he was not an admiral. In addition to the first lord among civilian commissioners there is the civil lord, who is responsible for labor questions and the provision of works and buildings.

The sea lords have charge of areas of administrative activity which in the course of a long history have become well defined. The first sea lord controls the operations and movements of the fleet, the second questions of personnel, the third ships and armaments, the fourth fuel and stores, and the recently added fifth sea lord aviation.

The Board of Admiralty, inconsistent in constitution and cumbersome in appearance, has nevertheless proved in fact a most successful means of reconciling at the highest level the diverse elements of civilian control and professional authority which are involved in the administration of a fighting service. The very ambiguity of the relationship between the first lord and the sea lords has been an advantage, since it has made possible as occasion demanded emphasis upon the sole responsibility of the First Lord alone or upon that of the board as a whole. In practice, the existence of the board has meant that all important decisions are taken by the first lord in council—that is, with the necessary advice and consent of his colleagues on the board. The characteristic problems of naval administration have made the board a peculiarly suitable instrument for higher administration in that department, whereas in the civil departments like the Board of Trade and the Treasury, which once had commissioners, the boards have become less important or disappeared altogether.

The institution of the permanent secretaryship is an important element in the successful functioning of the Board of Admiralty. A man in Murray's position is able to supply those defects in knowledge which are inevitable in the political appointees who become first lords. Just as the first lord receives professional advice from the naval members of the board on military matters, so he is informed on matters of departmental administration by the permanent secretary. Thus, instead of a single civilian head confronted with a battery of professional naval advisors, the first lord is provided with a balanced group of experts representing both the military and the civilian element and competent in the whole field of naval policy and administration.

The question of the responsibility of the Board of Admiralty in the determination of naval policy was one to which Sir Oswyn Murray devoted much thought. This question was particularly acute in the period of disarmament which followed World War I. It was, of course, clear, as Murray pointed out in one of his discussions of the subject, that, although the Admiralty had the responsibility of advising the government as to the provision necessary to carry out the approved naval policy, the government was under no obligation to accept that advice. In extreme cases, if the advice tendered was regarded by the government as totally unsound, the government was of course free to appoint a new Board of Admiralty, or if the cost of implementing the naval policy was too high, the government could decide on a redefinition of the policy. In those cases, however, where the government rejected the advice of the Admiralty not because the professional arguments were unsound but because of other factors consideration of which was within the province of the government rather than that of the Admiralty, Murray was convinced that the limits of Admiralty responsibility ought to be made clear. Such a case occurred in 1924, when the MacDonald government decided not to proceed with the development of the naval base at Singapore. The Prime Minister explained in

the House of Commons that this decision had been taken contrary to the professional advice of the Admiralty because of the government's policy of seeking security through disarmament.

In the absence of such an explanation Murray supported the right and indeed the duty of the sea lords to resign. This position was founded not on the narrow view that the responsibility of the Admiralty was limited to its being answerable to the government for advice rendered, but on the wider conviction that it had a responsibility to the profession and to the country for questions of policy raised by the acceptance or rejection of that advice. In Murray's opinion the constant awareness of this responsibility was one of the best guarantees that his country's naval policy would match its commitments. With these convictions, it was his misfortune that the last years of his administration and his life were passed in a period when there was an ever-widening gap between the commitments of British foreign policy and the means necessary to uphold them. Or, to put it another way, having lived through such a period, it was his misfortune to die before the question was successfully resolved.

In referring to his position Murray once humorously quoted the description of a secretary as "a poor creature who writes what other people tell him to." To those even superficially acquainted with the annals of American naval administration this has a too familiar ring, but in this country it has not usually been said as a joke. Of Sir Oswyn Murray it could never have been said as anything else. Lady Murray's book is neither distinguished in its style nor profound in its analysis, and it is strewn with too many "official" tributes, but it does show well in how many important ways her husband did more than write what he was told. It may be said that his success depended as much upon the office as upon the man, but, however its source may be analyzed, his administrative activity includes and illuminates every aspect of the affairs of the Admiralty, and it is this which gives significance to his career.

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Labor Educates an Author

By E. B. Shultz, Tennessee Valley Authority

PERSONNEL RELATIONS: THEIR APPLICATION IN DEMOCRACY, by J. E. WALTERS. Ronald Press Company, 1945. Pp. xx, 547. \$4.50.

An agreement between a company and an individual can be made with comparative ease, but an agreement between a company and a labor union or other organization for a collective group of employees is more difficult to carry out successfully, because of disciplinary and other reasons. For these causes collective bargaining presents many problems, such as disagreements and misunderstandings between the company and the workers. Furthermore, it takes away the individual responsibility of the worker to the company, when he carries on his negotiations through the collective bargaining organization. The company also works through the same agency, and therefore discipline may not be kept as effectively. Collective bargaining is used less and less as time goes on.

One of the first functions of good personnel management is a sound, solid organization with delegated authority and responsibility to carry out the company's policies and functions, especially in respect to union relations.

But management must first have adequate policies and principles with which it can bargain collectively with the union. Collective bargaining is something management can produce with—an instrumentality of production. . . .

The adequate functioning of labor-management requires considerable attention and work on the part of management and its representatives. It involves cooperation by management with labor, as well as labor with management.

THE first of the above quotations is from *Applied Personnel Administration* by J. E. Walters, 1931. The second of the above quotations is from *Personnel Relations* by J. E. Walters, 1945. After fourteen years of additional experience, Mr. Walters rewrote his text, portraying a revolution in his own thinking. The author of these two books is a seasoned student of personnel administration and in recent years has had much practical experience in that field, both as personnel director in a large company and as a personnel consultant. There are good grounds for believing that this revolution in his own thinking is also a reflection of the changes in attitude and emphasis toward personnel administration in industry, for both volumes are based largely upon a study of the personnel programs of a

great many important industrial and manufacturing enterprises.

In both volumes Mr. Walters maintains that industry, to be successful, must be concerned with human values, and on that basis a well-rounded program of personnel administration, based upon the development of employees, is considered good business. In his earlier book the responsibility for this development of employees is placed entirely upon management, which should establish all the job conditions and the welfare programs necessary to keep employees happy and provide for their future advancement and retirement. In his later volume he emphasizes participation of employees as a factor of major importance in their satisfaction and in their development for duties and functions in democracy where "the dignity and worth of the individual are of supreme importance." This participation is seen as occurring principally through unions of the employees' own choice—unions which, in his 1931 volume, he foresaw becoming unnecessary as employers provided sound personnel procedures.

Mr. Walters, in his 1931 volume, while theoretically admitting that "good" unions might have value, practically ignored labor unions as a factor deserving consideration in the field of industrial personnel work. This would appear at first to be the result either of personal bias or of gross ignorance when one remembers the experience under the War Labor Board of World War I, the successful struggle for unionization on the railroads in the 1920's after government operation, and the many other rather dramatic instances of that period which indicated that organized labor was becoming a vital force in American life. But, on second thought, it is remembered that a vast number of industrialists thought in 1931 that the antiunion drive of the 1920's and the depression had permanently disabled the labor movement. As a part of that antiunion drive employee representation plans and company unions had been nourished and became well established. Few saw this growth of company-fostered organizations as preparing em-

ployees for genuine participation later and as creating ready-made unions to be taken over en masse in some cases by the labor movement. Apparently Mr. Walters and his circle did not. In his 1931 volume he wrote, "As employers consult and cooperate with employees through sound personnel procedures such as employee representation, there will be less need for union activities. As employee representation develops, unionism should decrease."

In the 1931 volume Mr. Walters limited his account of the rise of labor organizations to three short paragraphs. In his 1945 volume he devotes a sixty-page chapter to the history and constructive contributions of organized labor. In 1931 he saw good personnel administration as a means of avoiding the disadvantages of collective bargaining with unions and never mentioned, even on this level, the handling of relations with unions as a responsibility within the field of personnel administration. In his current volume he tends to identify the job of personnel administration as the management of personnel relations, because employee unions are genuinely and legitimately interested in every phase of the personnel job—even those, such as classification and service evaluation, which management historically has tended to place on a pedestal as exclusive management prerogatives. "One of the chief functions of the Personnel Relations Department," he says, "is the negotiation of labor contracts by bargaining collectively with the unions through freely chosen representatives." This function has become very important because employees refused to accept employer-sponsored employee representation plans and kept up their relentless efforts to be represented by their union representatives. Such efforts were strengthened by the National Labor Relations Act, passed by Congress in 1935 and judged constitutional in 1937, which placed upon the employer "the responsibility of bargaining collectively and permitting his employees to organize without interference, coercion, domination, or discrimination." In commenting upon this trend, Mr. Walters says: "Although the NLRA and other regulatory laws stipulated certain conditions of personnel relations, the managements of industry still have the right to establish, or not to establish, these activities in their companies within the

bounds of the legal restrictions and labor contracts." Progressive management believes, however, that "the NLRA has performed an excellent industrial function for this country. It has placed collective bargaining and the right to self-organization and the selection of representatives on a more democratic basis." After stating that collective bargaining made possible the handling of grievances which would otherwise be lost sight of in the impersonal relationships of mass production, he goes on to say that "collective bargaining is something that management can produce with—an instrumentality of production."

This is no grudging admission that management has lost its fight against unions and must accept them as a necessary evil. Mr. Walters appears to be convinced of the benefits of collective bargaining when undergirded with ample factual information and carried on with a view to finding the right answer in the light of all the interests at stake. He also seems convinced that the unions make contributions of great value to management as well as to employees, and that unions are both a bulwark of democracy in preventing arbitrary action and a useful training ground for workers in the practice of democracy.

Another development in Mr. Walters' thinking as reflected in *Personnel Relations* (1945) is the relation of government to the handling of industrial relations. It is not so clear that the author is reflecting the consensus of industrial management in this respect; he seems, rather, to be reporting his own convictions. He would make government agencies an equal and coordinate factor with management and labor in the successful handling of labor relations problems. He describes these three factors as the legs of a three-legged stool. Those who place greater confidence in the collective bargaining process would not agree that government agencies should always and continuously share the responsibility for collective bargaining between responsible management and labor representatives. The difficulties resulting from the recalcitrant minorities—in labor and management—which most frequently make necessary the intervention of government mediation and enforcement agencies, and of which Mr. Walters seems keenly cognizant, should not blind us to the value in

democratic training of successful negotiation without government participation.

The two volumes have the same purpose, namely, to serve as comprehensive textbooks in the private personnel field. The author has, with a great deal of care, brought up to date developments and procedures in technical phases of personnel administration. The earlier conclusions are modified primarily to the effect that the unions chosen by employees to represent them have a legitimate interest in every phase of personnel administration and that this fact requires procedures which permit that interest to function. Mr. Walters is to be congratulated for the frankness and wholeheartedness with which he has altered his former position of ignoring or opposing unions

and has discovered them as an important and useful factor in strengthening democracy in industrial society. He seems to have arrived at his present position on the basis of wide first-hand experience with private industry. If this is true, it would serve as a basis for the hope that labor relations are coming of age in the United States; that the period in which unions had to fight continuously for the right to exist is coming to an end, leaving them free to make the contribution to democracy in industrial relations of which they are capable. This is an evidence of maturity of relationships between responsible parties, relationships which will permit important issues and problems of personnel relations to be resolved on their merits.

Military Government in Germany

By Merle Fainsod, Harvard University

MILITARY OCCUPATION AND THE RULE OF LAW: OCCUPATION GOVERNMENT IN THE RHINELAND, 1918-1923, by ERNST FRAENKEL. Oxford University Press, 1944. Pp. xi, 267. \$3.50.

MILITARY government has attracted relatively little attention from American students of government and public administration. This neglect, if it is neglect, is now by way of being remedied. The wide-ranging responsibilities recently assumed by American military governors in Europe and the Far East have stimulated a fresh interest in the field. The appearance of Dr. Fraenkel's work is proof that this interest is beginning to bear fruit in serious investigation and analysis.

Dr. Frankel's book covers the five years of occupation government in the Rhineland from 1918 to 1923. During this period the United States shared occupational responsibilities with France, Great Britain, and Belgium. Each of these four powers was assigned a separate occupational zone. The commanders of each occupation army exercised a considerable degree of independence within their respective zones. For the duration of the Armistice Period (November 11, 1918-January 10, 1920), however, they remained nominally subject to the control of Marshal Foch, the supreme com-

mander of the allied and associated powers. During the Armistice Period provision was made by the Rhineland Agreement of January 28, 1919, for a shift from military to civilian control. Under the terms of the Rhineland Agreement an Inter-Allied Rhineland High Commission, composed of representatives of the four occupying powers, was created to coordinate policy within the four zones. Until the ratification of the Peace Treaty on January 10, 1920, this commission exercised its authority in the name of the chief commander, Marshal Foch. After ratification it replaced Foch as the supreme representative of the allied and associated powers in the Rhineland. The failure of the United States to ratify the Versailles Treaty introduced a special complication. Since the United States was not party to the treaty, it presumably could not legally recognize the jurisdiction of the commission in its own zone. In practice, however, a *modus vivendi* was arrived at by which an American delegate participated unofficially in the work of the commission and the American zone commander proclaimed the ordinances of the commission as legally binding in his area. This remained the status until 1923, when the last American soldiers were evacuated from the Rhineland.

Dr. Fraenkel's able analysis of these five years of occupation experience suggests many problems and difficulties which those who follow current developments in Germany will recognize as familiar. A condominium is, at best, a precarious form of international administration. Unless there is thorough agreement at the highest policy level among the participating powers, it is almost inevitable that coordination will become a fiction and that national policies will dictate the conduct of zone commanders. The Rhineland experience stands as a warning of what happens when occupying powers cannot agree on a common policy toward a defeated enemy. The anti-German alliance so effective in war disintegrated in peace. The French objective was a Rhineland separatist movement which would weaken the German war-making potential forever. Thwarted in achieving this by British and American as well as German resistance, the French pressed for the continuation of the occupation as a prime guarantee of their own security. The Belgians tended to follow the French lead. The British, concerned over the prospect of French hegemony on the continent, played balance-of-power politics in order to checkmate French aspirations. The United States, while critical of French policy, had no territorial or political purposes to serve. Our increasing indifference culminated in a complete withdrawal in 1923. Carl Schmitt, the Nazi apologist, once observed that what saved Germany after World War I was the number of enemies to whom she had capitulated. This war has registered no decline in the total. Whether it has registered any increase in their collective wisdom still remains to be seen.

If the occupying powers in the Rhineland were at odds with each other on the fundamental objectives of the occupation, they were agreed that the existing German bureaucratic machinery should remain undisturbed, that left-wing revolutionary elements should be sternly suppressed, and that public order should be maintained at all costs. Dr. Fraenkel describes the results of this policy as follows:

By recognizing exclusively the functionaries of the old regime as the legitimate authorities to deal with, the commanding generals of the occupying armies threw their influence not only on the side of law and order but also on the side of the very elements of the population that represented the militarism and nationalism at the roots of the war itself. For the old bu-

reaucracy, despite its 'objectivity' and 'non-political' dedication to its duties, was drawn primarily from the conservative middle classes, and constituted a privileged caste not greatly different in spirit from the officer corps of the old army. When today one looks back at these events, it is evident that the appeasement policy toward German nationalism began even before the German nationalists realized what a tremendous chance was being offered them [pp. 30-31].

Critics of the present denazification program in Germany may find it useful to reflect on this facet of the Rhineland experience. That the lesson has still to be learned by highly placed American military government officers in Germany is indicated by a remark attributed to a top American general. On being told that a certain business man could not be employed because his *Fragebogen* (questionnaire) disclosed that he had been an Elite Guard member, the general exploded: "Fragebogen? What the hell's a Fragebogen? Listen—if you need these men, keep them and don't worry about anything else."¹

The failure of the Rhineland occupation (for so, in the light of history, it must be adjudged) will be explained differently by different observers. This writer is inclined to place major emphasis on the fundamental political rivalries which divided the occupying powers. Dr. Fraenkel, writing from the point of view of the sincere German anti-Nazi, devoted to the ideal of the *Rechtsstaat*, puts great weight on the failure of the occupation regime to promote that ideal. There can be no question that he has fully documented this failure. Yet there will be many who will feel that military government, an instrument by which the victor imposes his will on the vanquished, is inherently incompatible with the rule of law in the sense in which Dr. Fraenkel conceives it. Military government, to put it brutally, is a regime of force. If it is tempered at all, it is by virtue of a self-denying ordinance which the victorious power imposes on itself. The guarantees provided to safeguard the rights of the vanquished are an act of grace dependent basically on the good will of the conqueror. The restraints on the authority of the military governors, whether derived from international law, conventions, domestic law, or national traditions, depend for their sanctions on the willingness of the conqueror to abide by them. To be sure, restraints may be

¹ *New York Times*, Sept. 21, 1945, p. 10.

accepted and guarantees provided. These restraints and guarantees may go far in the direction of transforming a regime of force into a regime of law. It is in this sense, and only in this sense, that military government and the rule of law may be deemed compatible. But the question still remains, "*Quis custodiet ipsos custodes?*"

The Rhineland experience presents in miniature many of the problems which are plaguing the military government of Germany today. There is the same challenge to make a condominium work, to reconcile the basic political objectives of great powers, though this time Belgium is replaced by the Soviet Union, and the stage on which the reconciliation must take place is the whole German Reich. There is the same problem of determining policy on the utilization of native German administrative personnel, though this time the problem has been made far more acute by the thorough nazification of German public institutions during the years of Hitler's rule. And there are, finally, the recurrent aspirations of the Germans themselves for self-rule, and the resultant question as to what shape and content military government should seek to give to these aspirations.

The problems which face military governors in Germany today are in many ways infinitely more complex than those which their predecessors confronted in the Rhineland a generation ago. The physical plant in the Rhineland was virtually untouched by war damage. This time the destruction is thoroughgoing and complete. The Rhineland High Commission inherited a going administrative concern; we inherit chaos and disorganization. The Rhineland occupation was accompanied by a democratic revolution made by the Germans themselves. We come on the heels of more than a decade of Nazi *Gleichschaltung* dedicated to extirpating every remnant of democracy and every political nucleus of dissent. The path of military government in Germany cannot in the nature of things be smooth and easy.

It is still too early to attempt any final appraisal of the record which American military

governors are making in Germany today. Most close observers are agreed that the quality of the technical performance in the combat phase of operations was superb. There has been nothing but praise for the ingenuity, the energy, and the skill in improvisation with which military government officers restored water works, electric power, and other public services in occupied areas.

There is far less agreement on the quality of the political performance. Too often military governors with an eye single on efficient performance of a technical assignment have blinked that eye to the dubious political antecedents of the administrative instruments on which they relied. The Aachen scandal has become a by-word of smooth administrative performance purchased at the price of collaboration with Nazi or proto-Nazi elements. It would be a source of rejoicing if one could conclude that the lesson of Aachen has been thoroughly digested. Reports from Germany are not too encouraging. Directives from on high which enjoin a policy of thorough denazification meet frustration at the operating level where the German official deemed politically unreliable at headquarters becomes indispensable to the military government officer on the job.

The daily administrative decisions of military government officers help to build the political future of Germany. The standards of conduct they observe, the groups which they encourage and discourage, the officials whom they select and reject will determine the alignment of political forces in postoccupation Germany. The notion that military government is nonpolitical, that it can stand aside from the struggle for the political soul of Germany, is one to be vigorously combatted. Nonintervention may itself be a form of intervention. It becomes the most dangerous kind of intervention when it takes the form of leaving one's enemies in high places and failing to support one's friends. The lesson of the Rhineland should not be forgotten so soon. History has no lessons only for those who do not read history.

News of the Society

Meeting of the Council

THE Council of the Society met in Washington, D.C., on Saturday, October 13. Following discussion of the draft of the amended constitution for the Society which appeared in the summer issue of *Public Administration Review*, the Council adopted the draft with a few minor amendments. The revised constitution will be printed and a copy will be sent to each member of the Society.

President Gulick announced the appointment of Paul H. Appleby, assistant director of the United States Bureau of the Budget, as a member of the Council, to fill the vacancy occasioned by the death of William E. Mosher.

The problem of assistance to local chapters was taken up and all phases of it thoroughly discussed. The Council still felt that the Society is not financially able to offer assistance to chapters. All members of the Council agreed, however, that they would be willing to meet with and address chapter groups whenever their travels take them into localities where there are groups interested in having speakers.

Chapter officers who wish to have Council members meet with or address their groups should so advise the national secretariat. Council members and officers, in turn, will advise the secretariat of their itineraries so that there may be clearance of dates. Council members will inform the secretariat as promptly as possible of their travel plans so that the chapter officers may have the maximum amount of time in which to arrange for meetings with Council members; Council members will be given as much advance notice of chapter needs as is possible in order to facilitate planning their schedules.

The problem of arranging for an annual meeting was referred to the executive committee and the officers of the Society. The Council decided that in view of present overcrowding of transportation and hotels no meeting should be scheduled for the Christmas holidays, but asked that the possibility of a meeting in the Spring of 1946 be considered. The Council also decided that the Society's next annual

meeting be held alone and not jointly with other organizations. However, it was felt that if the next annual meeting of the American Political Science Association should take place in the spring of 1946 in a conveniently located eastern city, the Society might arrange for sessions in the same place scheduled for the two days immediately preceding or following the meeting of the Association, in order that persons belonging to both organizations might be able to attend both meetings with a minimum of travel. It was further suggested that if hotel accommodations are as restricted and travel as difficult in the spring as now, and postponement of the annual meeting becomes necessary, then the executive committee consider planning for regional meetings in which they might cooperate with the various chapter groups.

As provided in the new constitution, all officers and Council members of the Society will hold office until the first annual meeting following the incorporation of the Society. The Council passed a resolution that if an annual meeting is not held by March, 1946, provision should be made for an election of officers by mail ballot.

Chapter News

THE annual meeting of the Boston Chapter of the American Society for Public Administration was held at the Boston City Club on Wednesday, September 19. The following officers were elected:

President—Julius E. Kellner, regional auditor, Social Security Board

Vice-President—Thomas J. Greehan, state director, Massachusetts Civil Service

Secretary-Treasurer—John R. Campbell, regional representative, Social Security Board

Directors—

Thomas H. Buckley, chairman, Commission on Administration and Finance, Commonwealth of Massachusetts

Edward G. Huber, M.D., assistant director of public health administration, Massachusetts State Department of Public

Health, and acting dean of the School of Public Health, Harvard University
Morris B. Lambie, professor of government, Harvard University

Thomas F. Sullivan, police commissioner, city of Boston

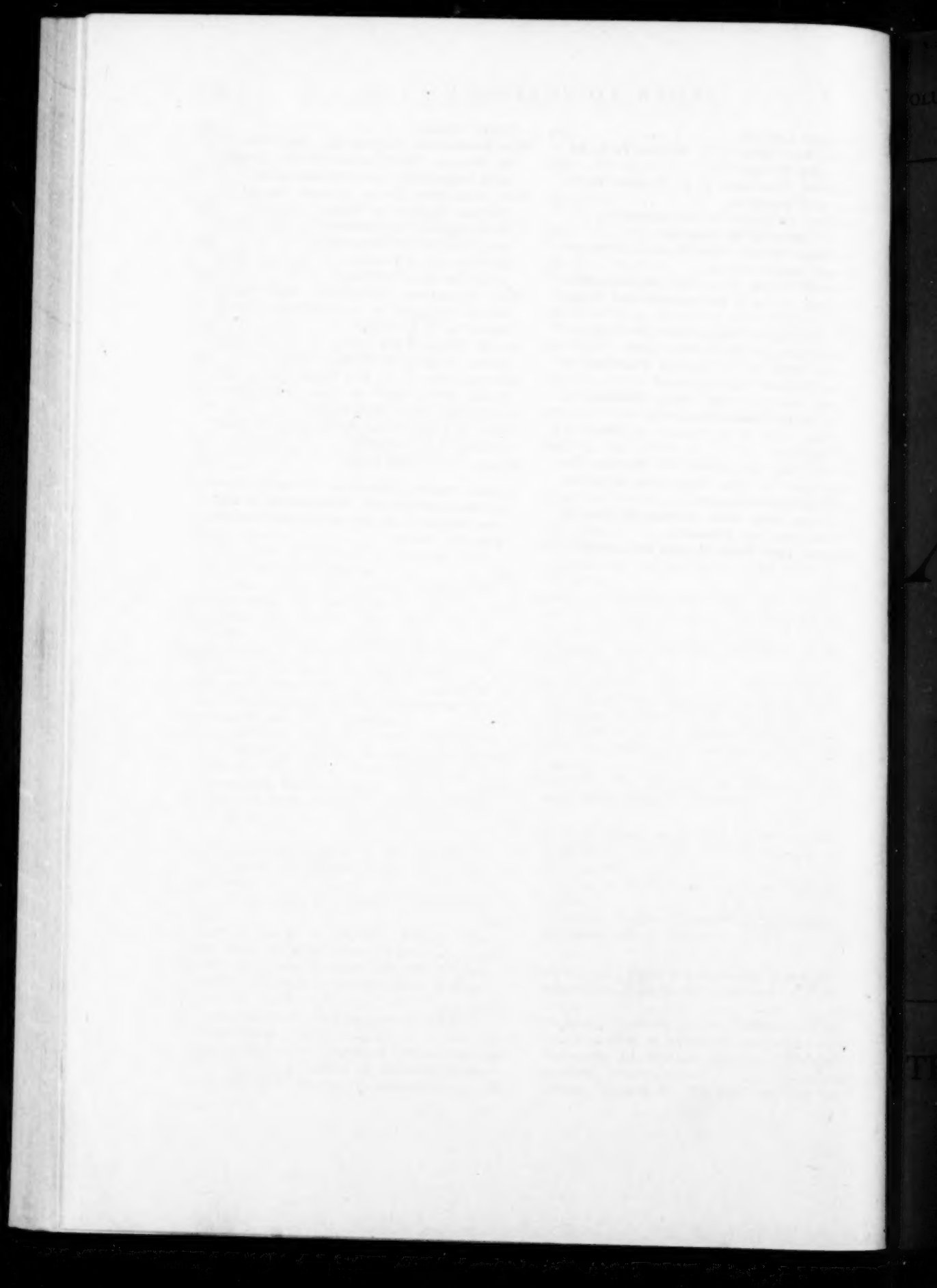
The program included planning for the discussion of various topics, namely: the retirement system at the federal, state, and municipal levels; public utility development along the lines of TVA; problems of the returning veteran. Dates will be determined by the presence in Boston of speakers and all sessions will be dinner meetings followed by speaking and discussion. The Chapter officers also considered the possibility of Society members in other New England states attending the Massachusetts meetings.

The first meeting of the seventh program season of the New York Metropolitan Chapter was held Tuesday, October 9, at New York University Faculty Club. Louis E. Yavner, commissioner in the department of investigation of the City of New York, and Rudolph Halley, chief counsel of the Mead Committee

of the United States Senate, discussed the possibilities and problems for the administrator of investigation as a tool of control, whether by a legislative or executive body.

The tentative program of meetings for the year includes as speakers: Herbert Emmerich, director, Public Administration Clearing House; Paul H. Appleby, assistant director, U. S. Bureau of the Budget; Rowland Egger, director, Bolivian Development Corporation, and formerly director of the budget for the State of Virginia. The schedule of subsequent meetings is December 12, 1945; January 8, 1946; March 13, 1946; and April 9, 1946.

The first meeting of the 1945-46 season of the Washington, D.C., Chapter was held Tuesday evening, October 30. Henry A. Wallace, Secretary of Commerce, addressed the chapter. He reviewed the work of the Department of Commerce as it is now functioning and discussed its further reorganization. The title of Mr. Wallace's address was "The Role of the Department of Commerce in the Reconversion of the National Economy."



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THE JOURNAL OF THE
ROYAL ANTHROPOLOGICAL INSTITUTE

Vol. 40, Part 1, 1910

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What is the role of the President of the House of Representatives?



Paul H. Appleby

Former Under Secretary of Agriculture

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